6	STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2024-25) EIGHTEENTH LOK SABHA

MINISTRY OF CHEMICALS AND FERTILIZERS

(DEPARTMENT OF FERTILIZERS)

DEMANDS FOR GRANTS

(2025-26)

SIXTH REPORT

LOK SABHA SECRETARIAT

NEW DELHI

March, 2025/ Phalguna, 1946 (Saka)

CC&F. No. 186

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(EIGHTEENTH LOK SABHA)

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(2025-26)

Presented to Lok Sabha on ……

Laid in Rajya Sabha on …….

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NEW DELHI

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Shri Azad Kirti Jha - Chairperson

MEMBERS

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Smt. Kriti Devi Debbarman
7. Dr. Kalyan Vaijinathrao Kale
8. Shri Malvinder Singh Kang
9. Shri Babu Singh Kushwaha
10. Shri Utkarsh Verma Madhur
11. Shri Praveen Patel
12. Dr. Sambit Patra
13. Shri Balram Naik Porika
14. Shri Sachithanantham R.
15. Shri Eatala Rajender
16. Shri Rajesh Ranjan
17. Shri Daggumalla Prasada Rao
18. Shri Tharaniventhan M.S.
19. Shri Nalin Soren
20. Dr. Ricky Andrew J. Syngkon
21. Shri Shivmangal Singh Tomar

RAJYA SABHA

22. Shri Subhash Barala
23. Shri Subhash Chandra Bose Pilli
24. Dr. Anbumani Ramadoss
25. Shri Sanjay Raut
26. Shri Meda Raghunadha Reddy
27. Dr. Kalpana Saini
28. Shri Arun Singh
29. Shri Akhilesh Prasad Singh
30. Shri Tejveer Singh
31. Vacant*

*Vacant *Vice* Nomination of Shri Niranjan Bishi, MP (Rajya Sabha) has changed *vide* Rajya Sabha Bulletin-Prt II, Para No. 64908 dated 21.11.2024.

SECRETARIAT

1.	Smt. Maya Lingi	-	Joint Secretary
2.	Ms. Miranda Ingudam	-	Director
3.	Shri Nagendra Suman	-	Deputy Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals & Fertilizers (2024-25) having been authorized by the Committee do present on their behalf this Sixth Report (Eighteenth Lok Sabha) on 'Demands for Grants (2025-26)' pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers.

2. The Committee considered the Demands for Grants (2025-26) pertaining to the Department of Fertilizers for the Financial Year 2025-26 which were laid on the Table of the House on 07.02.2025. Thereafter, the Committee took evidence of the representatives of the Department of Fertilizers on 24th February, 2025. The Committee considered and adopted the Report at their sitting held on 18th March, 2025.

3. The Committee wish to express their thanks to the Officers of the Department of Fertilizers, Ministry of Chemicals and Fertilizers for tendering evidence and placing before the Committee all the requisite information sought for in connection with the examination of the subject.

4. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

5. For ease of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi;
18 March, 2025
27 Phalguna, 1946(Saka)

Azad Kirti Jha
Chairperson,
Standing Committee on
Chemicals and Fertilizers.

ACRONYMS/ABBREVIATIONS OF THE TERMS USED IN THE REPORT

AE	Actual Expenditure
BE	Budget Estimates
BVFCL	Brahmaputra Valley Fertilizers Corporation Limited
CAN	Calcium Ammonium Nitrate
Capex	Capital Expenditures
CCEA	Cabinet Committee on Economic Affairs
DA&FW	Department of Agriculture & Farmers Welfare
DAP	Di-ammonium Phosphate
DBT	Direct Benefit Transfer
DCT	Direct Cash Transfer
DDWS	Department of Drinking Water Supply
DFG	Demands for Grants
DoE	Department of Expenditure
DoF	Department of Fertilizers
EFC	Expenditure Finance Committee
EPMC	Empowered Pool Management Committee
ESS	Energy Saving Schemes
FACT	Fertilizer and Chemicals & Travancore Limited
FAGMIL	FCI Aravali Gypsum and Minerals India Limited
FCIL	Fertilizer Corporation of India Limited
FCO, 1985	Fertilizer (Control) Order,1985
FICC	Fertilizer Industry Coordination Committee ()
FOM	Fermented organic manure
FY	Financial Year
GAIL	Gas Authority of India Limited
Gcal	Gigacalorie
GNVFC-Bharuch	Gujarat Narmada Valley Fertilizers & Chemicals Limited
HFCL	Hindustan Fertilizer Corporation Limited
ICAR	Indian Council of Agricultural Research
ICFFTR	Indian Council for Fertilizer and Fertilizer Nutrient Research
ICFFTR	Indian Council for Fertilizer and Fertilizer Nutrient Research
iFMS	Integrated Financial Management System
KFCL-Kanpur	Kanpur Fertilizers & Chemicals Limited
LMT	Lakh Metric tonnes
MFL	Madras Fertilizer Limited
MH	Major Head
MMBTU	Metric Million British Thermal Unit
MNRE	Ministry of New and Renewable Energy
MoF	Ministry of Finance
MOP	Muriate of Potash
MoP&NG	Ministry of Petroleum and Natural Gas
MT	Metric tonne

NBS scheme	Nutrient Based Subsidy scheme
NFCL	Nagarjuna Fertilizers and Chemicals Limited
NFL	National Fertilizers Limited
NPK Fertilizers	Nitrogen, Phosphorus and Potassium Fertilizers
NPKS	Nitrogen, Phosphorus, Potassium and Sulphur
NPS-III	New Pricing Scheme-III
NUP	New Urea Policy
OMIFCO	Oman India Fertilizer Company
P&K fertilizers	Nitrogen and Phosphorus Fertilizers
PDIL	Project & Development India Limited
PDM	Potash derived from Molasses
PM-PRANAM	PM Programme for Restoration Awareness and Nourishment and Amelioration of Mother Earth
PROM	Phosphate Rich Organic Manure
PSU	Public Sector Undertaking
R&D	Research and Development
RAC	Re-Assessed Capacity
RCF	Rashtriya Chemicals & Fertilizers Limited
RCF	Rashtriya Chemicals and Fertilizers Limited
RE	Revised Estimates
RLNG	Regasified Liquefied Natural Gas
SATAT	Sustainable Alternative Towards Affordable Transportation
SCU	Sulphur coated Urea
SFC-Kota	Sharon Fellowship Church-**Kota**
SSP	Single Super Phosphate
SSP + Urea	Single Super Phosphate and Urea
TEN	Target Energy Norms
USS	Urea Subsidy Scheme
UT	Union Territories
$	Dollar

CHAPTER – I

INTRODUCTORY

Department of Fertilizers: An overview

1.1 Department of Fertilizers comes under the ambit of Ministry of Chemicals & Fertilizers. The main objective of Department of Fertilizers is to ensure adequate and timely availability of fertilizers at affordable price for maximizing agricultural production in the Country. The main functions include planning, promotion and development of the fertilizers industry, planning and monitoring of production, import and distribution of fertilizers and management of financial assistance by way of subsidy / concession for indigenous and imported fertilizers. List of subjects allotted to the Department of Fertilizers as per Government of India (Allocation of Business) Rules, 1961 amended from time to time are as under:

i. Planning for fertilizer production including import of fertilizer through a designated canalising agency.
ii. Allocation and supply linkages for movement and distribution of urea in terms of assessment made by the Department of Agriculture, Cooperation and Farmers Welfare
iii. Administration of concession schemes and management of subsidy for controlled as well as decontrolled fertilizers including determination of retention price for urea, quantum of concession of decontrolled fertilizers costing of such fertilisers and pricing of Phosphatic and Potassic fertilizers.
iv. Administration of the Fertilizers (Movement Control) Order, 1960.
v. Administrative responsibility for fertilizer production units in the cooperative sector, namely, Indian Farmers' Cooperative Limited (IFFCO), Krishak Bharati Cooperative Limited (KRIBHCO).
vi. Administrative responsibility for the Indian Potash Limited (IPL).

Vision and Mission of the Department

1.2 The Department of Fertilizers works with a Vision of achieving fertilizer security for the country for sustainable agricultural growth supported by a robust domestic fertilizer industry of the Department of Fertilizers. The ultimate goal is to achieve data

driven insights for redesigning the implementation mechanisms of Government interventions.

1.3 The Mission Statement lays emphasis on adequate and timely availability of quality fertilizers at affordable prices in each cropping season to the 140 million farmers across the Country through planned production including imports and distribution of fertilizers in the Country and planning for self-sufficiency in urea production.

1.4 The Department has one attached office under it, viz., Fertilizer Industry Coordination Committee (FICC) headed by Executive Director which is responsible to evolve and review periodically, the group concession rates including freight rates for units manufacturing nitrogenous fertilizers, maintain accounts, make payments and to recover amounts from fertilizer companies, undertake costing and other technical functions and collect and analyse production data, costs and other information. Besides, Department of Fertilizers also has the following nine (09) Fertilizer Public Sector Undertaking (PSUs) under its administrative control:

i. FCI Aravali Gypsum & Minerals India Limited (FAGMIL)
ii. Brahmaputra Valley Fertilizer Corporation Limited (BVFCL)
iii. The Fertilizer Corporation of India Limited (FCIL)
iv. Project & Development India Limited (PDIL)
v. Hindustan Fertilizer Corporation Limited (HFCL)
vi. Rashtriya Chemicals and Fertilizers Limited (RCF)
vii. National Fertilizers Limited (NFL)
viii. The Fertilizers and Chemicals Travancore Limited (FACT)
ix. Madras Fertilizers Limited (MFL)

Fertilizer composition

1.5 Fertilizers are materials used to provide plant with nutrients which are deficient in soils. It is a chemical product which is either mined or manufactured. Most of the

fertilizers are extracted and purified from natural deposits in the earth. Materials such as sulpomag, muriate of potash and triple super phosphate are all produced from naturally occurring minerals. Some materials, such as urea and ammonium nitrate are synthetic, but provide plants with the same nutrients that are found naturally in the soil. Fertilizers are inorganic materials with high analytical value and definite composition which can supply nutrients and trace elements, usually applied to the soil to encourage the growth of crops. Examples:

i. Nitrogenous fertilizers (urea, ammonium sulfate)
ii. Phosphate fertilizers (single/triple super phosphate)
iii. Potassic fertilizers (muriate of potash); and
iv. Macronutrients (Ca, Mg, O, C) and
v. Micronutrients (Zn, Mn, Cu, Fe, Mo, S, etc.)

Classification of fertilizers

1.6 Fertilizers may be classified in two ways. The composition-wise classification is as under:

i. ***Straight fertilizers***: Straight fertilizers only supply one primary plant nutrient, namely nitrogen or phosphorus or potassium. For example: urea, ammonium sulfate, potassium sulfate, and potassium chloride.

ii. ***Complex fertilizers***: Complex fertilizers contain two to three primary plant nutrients of which two primary nutrients are in chemical combination. These fertilizers are usually produced in granular form. For example: DAP, nitrophosphate, and ammonium phosphate.

iii. ***Mixed fertilizers***: These are physical mixtures of straight fertilizers. They contain more than two primary plant nutrients. These are prepared through systematic manual mixing of ingredients.

1.7 Fertilizers can also be classified based on physical form as under:

a. ***Solid fertilizers*** are found in several forms:

i. Crystals (ammonium sulfate);
ii. Powder (single superphosphate);
iii. Prills (urea, diammonium phosphate, superphosphate);
iv. Briquettes (urea briquettes);
v. Granules (Holland granules); or
vi. Supergranules (urea supergranules).

b. *Liquid fertilizers*:

i. Liquid form fertilizers are applied with irrigation water or through direct application.
ii. Their ease of handling, low labour requirement, and the possibility of mixing with herbicides have made liquid fertilizers more acceptable to farmers.

1.8 On a specific query on, the position of India in terms of availability of raw materials in context of the world, it has been stated in the written replies that:

"India depends on import of raw materials to meet its fertilizers' demand. The Government of India has been actively engaging with Countries rich in fertilizer raw materials.

To achieve this, the Government has facilitated the establishment of several Long-Term Agreements (LTAs) between Indian companies and foreign companies in fertilizer rich countries.

These Joint Ventures and Long Term Agreements aim to ensure a steady supply of fertilizers/raw materials in the Country and strengthen cooperation in the global fertilizer sector.

In respect of Urea, natural gas is mainly used as a feedstock/fuel by all urea units for the production of urea. Presently, all units have gas pipeline connectivity and uses natural gas for urea production. The cost of natural gas including taxes on it are pass through item for the calculation of the subsidy on Urea produced by the units. Accordingly, the impact of the fluctuation in the price

of natural gas is not pass on to the farmers as the price of Urea is fixed at a statutorily notified Maximum Retail Price (MRP) of Rs.242 per 45kg bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of Urea at farm gate and net market realization by the Urea units is given as subsidy to the Urea manufacturer/importer by the Government of India. Accordingly, all farmers of the country are being supplied Urea at the subsidized rates and thereby are beneficiaries of this scheme.

India is heavily dependent on imported raw materials for fertilizer production, particularly for P&K fertilizers. The Country has limited domestic reserves of key raw materials, making it defence less to global price fluctuations and supply chain disruptions.

In case of P&K fertilizers, India lacks sufficient reserves of rock phosphate. India imports nearly 95% of its phosphate requirements from countries like China, Saudi Arabia, Jordan, Morocco and Russia. India has no known commercial reserves of potash and is 100% dependent on imports from Canada, Russia, Israel and Jordan."

1.9 In order to ensure sufficient availability of fertilizers in India, Government of India has been facilitating Indian fertilizer companies to sign long-term agreements (LTAs), MoUs and establish joint ventures with fertilizer companies in resource rich Countries so that sufficient supply of finished fertilizers as well as its raw materials/intermediates to India can be ensured.

1.10 The Committee during examination of Demands for Grants 2024-25 when specifically enquired over signing of mining lease agreement with raw material rich countries, the Department of Fertilizers submitted in their written replies that the Government of India has not signed any mining lease agreement with the raw material rich countries for extraction or for refining / manufacturing of fertilizers.

1.11 With regard to steps taken to secure mining lease agreements in raw material rich countries along with measures initiated to impress upon exploration of raw materials required in fertilizers production within the Country, the Department in their written replies have submitted that the Fertilizer Companies keep on exploring the availability of raw materials in resource rich countries and sign agreements for securing the fertilizer raw materials.

1.12 On the other hand, the Ministry of Mines with an objective of increasing production of fertilizer minerals has placed them under 'Critical and Strategic Minerals' category, which inter-alia include Phosphate, Potash and Glauconite (Potassic mineral) under ***"The Mines & Minerals (Development and Regulation) Amendment (MMDR) Act, 2023"*** which aims to enhance domestic production and achieve self-sufficiency in critical minerals. ***MMDR Act, 1957*** ensure that critical minerals are produced, processed, and recycled by catalyzing investments from governments and the private sector across the full value chain, emphasizing the importance of sustainable and responsible mineral management practices. M/o Mines has established National Critical Mineral Mission(NCCM) on 29.01.2025. The mission aims to secure a long-term sustainable supply of critical minerals and strengthen India's critical mineral value chains encompassing all stages from mineral exploration and mining to beneficiation, processing and recovery from end of life products.

1.13 In reply to a query on the steps taken to persuade the Government for placing fertilizer sector into strategic category, the Department stated that the Hon'ble Minister (C&F), through a D.O. letter dated 24.03.2021, requested the Hon'ble Finance Minister to include Fertilizer as a strategic sector under the New Public Sector Enterprises (PSE) Policy for Atmanirbhar Bharat, citing its essential role in agriculture, government priority on affordability and availability, and the revival of closed fertilizer units through Joint Venture partnerships of CPSEs. Additionally, PSUs play a key role in producing critical chemicals for sectors like defence, mining, and petrochemicals, reinforcing their strategic importance. The Department of Fertilizers further pursued this by referring the matter to DIPAM via DO letter dated 09.04.2022. However, in response, DIPAM Secretary, through DO letter dated 19.04.2022, conveyed that the Cabinet, while approving the New PSE Policy, had classified fertilizers as a non-strategic sector,

reasoning that private manufacturers dominate the industry (with CPSEs accounting for only 25% of urea and 11% of non-urea fertilizers), most CPSEs operate at a loss, and their continuation lacks fiscal prudence. Nonetheless, CCEA's in-principle approval for strategic disinvestment of specific PSEs would be sought on a case-by-case basis, considering sectoral trends, investor interest, and administrative feasibility.

1.14 On the steps envisaged by the Department of Fertilizers with regard to technology upgradation, exploration, mining, refining and production, it has been submitted in the written replies that India is import dependent in raw materials of both phosphatic and potassic fertilizers. Both minerals have been included in the list of Critical and Strategic Minerals notified by Ministry of Mines *vide* Notification dated June, 2023. In case of Rock Phosphate, as informed by Indian Bureau of Mines, M/o Mines, there are *7 mining leases* of Rock Phosphate out of which only *6 are working*. In all 6 mines, mining is done through opencast method i.e. conventional mining for comparatively shallow deposits. So far as potash is concerned, the potash blocks discovered in India are deep seated. There are 2 methods for mining of deep seated deposits of potash – conventional underground mining and solution mining.

1.15 The challenges that are faced in mining in the Country today are:

(i) The most common method for extracting potash from deep halite deposits is Solution mining, where water or brine is injected to dissolve the potash which is then pumped to surface.

(ii) India has relatively low reserves of economically extractable potash and phosphate rock compared to global standards. Most of the country's rock phosphate is low grade which requires beneficiation before use.

(iii) Halite and potash minerals are highly water soluble which poses significant challenge during mining. Water inflow during mining operations can dissolve the minerals, leading to the loss of valuable resources.

(iv) Potash mines are prone to roof collapse and ground subsidence due to brittle nature of halite. Maintaining stability of ground is extremely capital expensive.

(v) Potash extraction involved navigating through salt domes which can shift and deform. This complicates mining operations.

(vi) India does not possess cutting edge drilling and solution mining technology. Importing this involves high capital expenditure and increase cost of potash production.

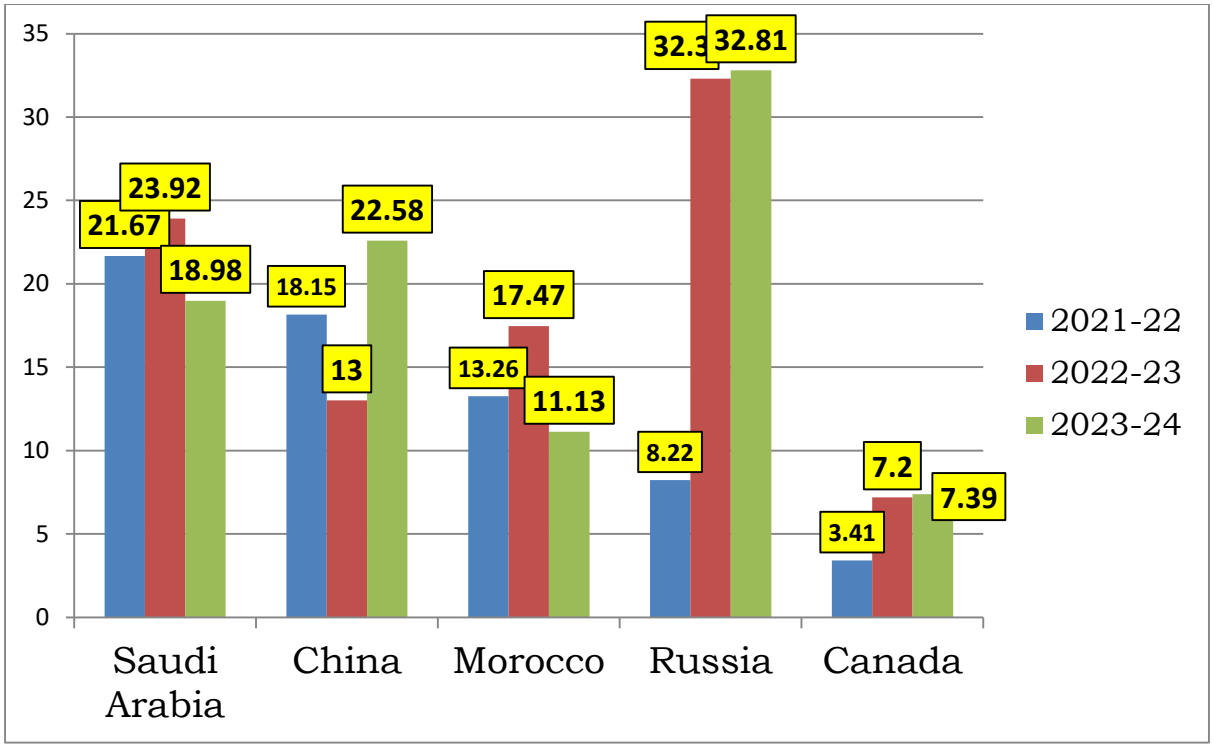
(vi) Establishing potash mines in halite formation requires significant upfront investment and skilled labor.

(vii) Solution mining and extraction of potash generates large quantities of salt laden waste brine which poses disposal challenges. Improper disposal can lead to soil salinization and groundwater contamination.

1.16 When enquired about use of steel slag and waste from power plants as substitute for the chemical fertilizers, the Department in their post evidence written replies submitted that Ministry of Steel with its industry partners has undertaken a project on “Development of Steel slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth”. The outcome will be known, after the completion of the project.

1.17 To a specific query related to new venture projects, Memorandum of Understanding (MoU) signed or envisaged in respect of P&K fertilizers to attain self-sufficiency, it has been stated in the written replies that the Department of Fertilizers has been actively engaged in exploring possibility of signing any new Joint Venture project/ MoU in respect of P&K fertilizers, etc. In this regard, the Department is currently facilitating discussions between and Indian Fertilizer PSU (M/s FACT) and a Togolese fertilizer company (M/s SNPT) regarding a Memorandum of Understanding (MoU) for the supply of Rock Phosphate to India. Additionally, discussions between M/s Rastriya Chemical & Fertilizers Ltd and M/s Atlantic Mineral SARL, Mauritania are also being facilitated to explore an MoU for supply of Rock Phosphate.

1.18 Major exporters of P&K fertilizers to India (DAP + NPKs + MOP) (LMT)



1.19 On the pros and cons between the coal based and gas based fertilizer plants, the Committee have been informed *vide* the written post evidence replies that Coal gasification-based fertilizer plants use coal as the primary feedstock, where coal is gasified to produce synthesis gas (syngas) containing hydrogen and carbon monoxide, with hydrogen used for ammonia production. In contrast, natural gas-based plants use methane as feedstock, converting it into hydrogen through steam methane reforming (SMR) for ammonia synthesis. Efficiency-wise, coal-based plants are less energy-efficient due to the complex gasification and purification process, whereas natural gas-based plants are more efficient, requiring fewer steps to produce cleaner hydrogen. Cost-wise, coal gasification-based plants have a higher capital cost but lower operating costs due to the stable and lower price of coal, making them competitive. Conversely, natural gas-based plants have lower capital costs but higher operating expenses due to the volatile and higher cost of natural gas. Environmental compliance is maintained by both types of plants, operating within the stipulated environmental norms.

1.20 Clarifying over the issue, the Secretary, Department of Fertilizers during evidence held on 24.02.2025 submitted as under:

> *"Sir, exactly on that line, Hon. Prime Minister started this coal gasification mission, means wherever we have coal, and India has tremendous amount of coal, so we can make it gasified, and that gasification will give the syngas. Syngas is nothing but the natural gas. It is experimented.*
>
> *….कोल की ज्यादा एफिशिएंसी होगी, when it is gasified and coal gas is produced. That has been proved all over the world. The US, China, Australia are doing it in a big way. Our first plant at Talcher is not based on natural gas. It is based on the coal gasification technology. One thing I am bringing to your knowledge that recently when we interacted with the Ministry of Coal, they have already informed us that a project worth Rs. 13,000 crore has been sanctioned for Burdwan under the coal gasification mission, in which they will produce the coal gas; that means syngas, and that will support the replacement of natural gas with the coal gas SNG. It is one of the most important projects that would be after Talcher is successfully done. They are not dependent upon Talcher. PDIL, our own company, is advising them how to go about it, and this project and another similar project in Maharashtra are also coming up. In Odisha, in Lakhanpur near Sambalpur is also coming up…"*

CHAPTER – II

EXAMINATION OF DEMANDS FOR GRANTS No. 6

2.1 The Committee have been informed that the difference between proposed and approved budget break-up of the Department of Fertilizers for BE 2025-26 is as below:

	SUMMARY OF BUDGET PROPOSALS BE 2025-26			(Rs in crore)
Major Heads	**Name of Scheme**	**Proposed BE 2025-26**	**Approved BE 2025-26***	**Difference**
3451	**Sect. Economic Services**	51.36	48.56	2.80
2401	**Nutrient Based Subsidy Policy**			
	Payment for Indigenous P&K Fertilizers	36451.00	30000.00	6451.00
	Payment for Imported P&K Fertilizers	19214.00	19000.00	214.00
	Total '2401'	**55665.00**	**49000.00**	**6665.00**
2852	**Urea Subsidy (MH 2852- Industries)**			
	Payment for Indigenous Urea	106605.36	100839.50	5765.86
	Payment for Import of Urea	22185.00	21000.00	1185.00
	MDA subsidy	100.00	100.00	0
	R&D for MDA	50.00	50.00	0
	DBT in Fertilizer subsidy	**29.90**	**27.70**	**2.20**
	Subsidy support to Indian shipping companies	**2.50**	**1.50**	**1.00**
	Total '2852'	**128972.76**	**122018.70**	**6954.06**
	Recovery (imp urea)	**-2980.00**	**-2980.00**	**0.00**
	CAPITAL Expenditure			
5475	**Capital Outlay on Gen Economic Services**	**15.51**	**15.18**	**0**
	Total (Gross)	**184704.63**	**171082.44**	**13622.19**

* Rs.13000 Cr have been provisioned for Oil Industry Development Fund (OIDF) under Indigenous Urea and Indigenous P&K fertilizers schemes. This has resulted in augmentation of Gross budget. The same amount has been shown as Recoveries against 'Amount met from OIDF' as under:

(Rs. in Crore)

Description of Amounts on account of OIDF	Amount
Transfer to OIDF (Ind P&K)	3000.00
Transfer to OIDF (Ind Urea)	10000.00
Total Transfer to OIDF	**13000.00**
Recoveries	
P&K (MH 2401) - Amount met from OIDF	-3000.00
P&K (MH 2401) - Additional amount met from OIDF	-1600.00
Urea (MH 2852) - Amount met from OIDF	-10000.00
Urea (MH 2852) - Additional amount met from OIDF	-10000.00
Total Recoveries	**-24600.00**

2.2 The Budget Proposals are sent to M/o Finance in the month of September-October of every year. The proposals are just an estimate of the expenditure to be incurred on Fertilizer subsidy, which are estimated on factors like previous year's consumption, rate of gas and other commodities etc. The actual requirement of funds is assessed based on the actual consumption and rates of commodities and accordingly additional funds are sought from M/o Finance during the FY, as and when required. Further, the funds provided by M/o Finance at BE stage are increased by them at RE stage and by the means of supplementary as per the requirement of the D/o Fertilizers. The Recoveries to the tune of Rs. 2980 crore is because of anticipated imports of 60 LMT of urea for 2025-26 cannot be avoided since import of Urea is controlled and all expenses have been incurred from the Subsidy head of account, as such the recovery of cost of the Imported Urea need to be shown against recoveries only.

2.3 When enquired over the curtailment of the budgetary allocation of the Department of Fertilizers from Rs. 1,84,704.63 crore to Rs. 1,71,082.44 crore for FY 2025-26, it has been submitted in the written replies that the BE is finalized by the Budget Division, Ministry of Finance, after discussions with the Ministry after taking into considerations the past trends and assessment on various parameters. The Budget requirements for the year are reviewed by the Ministry of Finance at RE stage in October-November based on actual expenditure and budget allocation is enhanced on the re-assessment of various parameters. The BE 2025-26 of the Department is

Rs.1,84,082.44 crore (Gross) after inclusion of the provision of Rs. 13,000 crore for "Transfer to Oil Industry Development Fund.

2.4 When the Committee wanted to know the utility of the provision of Rs. 13000 crore for the Oil Industry Development Fund(OIDF), the Department in their written replies have stated that the provision has been made based on the decision taken by the Ministry of Finance to fund the schemes of indigenous fertilizers from the Reserve Fund OIDF, of Ministry of Petroleum and Natural Gas (MoPNG) as per the OIDF Accounting Procedure prepared by MoPNG. With this provision, the subsidy expenditure to the extent of Rs. 13,000 crore will be met from the OIDF Reserve Fund in Public Account of India.

2.5 As for the reason for depicting the total recovery figure as Rs. 24600 Crore against earmarking of Rs. 13000 crore for OIDF during 2025-26, it was clarified in the written replies that during the FY 2024-25, an "Additional transfer to Reserve Fund-OIDF" has been provisioned in RE for an amount of Rs. 11,600 Crore (Rs. 1600 Crore under P&K subsidy and Rs. 10,000 Crore under Urea subsidy) as per the decision taken by Ministry of Finance. This amount will be transferred in FY 2024-25 itself to the OIDF Reserve Fund, in Public Account of India where the balances are carried forward to next year. Therefore, in FY 2025-26, this amount will be made available to meet the expenditure on Indigenous Urea and Indigenous P&K fertilizers through the Budget provision made as line item namely "Additional Amount met from Reserve Fund-OIDF".

2.6 The representative of the Department of Fertilizers, during evidence held on 24.02.2025, while clarifying on OIDF during presentation on Demands for Grants No.6 submitted as under:

> *"……As you had mentioned, we have this year the provisions from the OIDF, and we have Rs 13,000 crore worth provisions from both Urea and P&K subsidy, which will be transferred initially to the OID fund and then it will be received back in the form of deduct recovery for meeting out our expenditure. In addition to that, what we have transferred, in 2024-25, Rs.11,600 crore will also be made available for meeting our expenditure in the next year. So, both Rs.13,000 crore and Rs 11,600 crore put together makes it Rs 24,600 crore…..*

……..For the year 2023-24, we had the total budget provision of Rs. 1.95 lakh crore. For current year, it is reduced. At RE level, it is Rs. 1.89 lakh crore, and we have already spent Rs. 1.64 lakh crore, which is 94 per cent, but it is shown as 86 per cent here because this provision of OIDF has been given to us, but approval has not been given for making payment. So, once this approval is available at the RE stage after the budget is passed, our expenditure will stand to the extent of 94 per cent, and we will be having just six per cent for the spending in the month of March. So, we will be able to spend to the full extent. In the past years also, we have been able to spend almost 100 per cent of our budget. We have even spent the enhanced budget also to the extent of 100 per cent."

2.7 The Secretary, Department of Fertilizers, during evidence held on 24.02.2025, while clarifying on the subject submitted as under:

"Sir, just two lines about OIDF. This Oil Industry Development Fund, which has come out of the Oil Industry Development Act of 1974; in the current financial year, this fund has been made activated after almost 50 years because the cess that is imposed upon the indigenous crude and indigenous gas, it was coming to the budget. But we have been informed in writing by the Finance before we came here what exactly OIDF is. So, the Act itself, which was formulated, passed by the Parliament in 1974, the provision of OIDF could not be implemented all these decades. The matter went up to the Public Accounts Committee and the Public Accounts Committee advised that this fund needs to be created because it is the fund under OIDF by way of a cess. The cess-based reserve funds is parked in the public accounts of India. What is the difference between Rs. 156502 crore, that is the net budget that we have shown, and Rs. 24,600 crore from where the budget is to be funded? From the budget line, that is from CIF, the amount of Rs. 156502 crore is the net budget that means the finance flow will be from the Consolidated Fund of India and the rest of Rs. 24,600 crore, that will come in different way from OIDF, which is cess-based. So, this difference is to show how to finance the entire amount of Rs. 1,84,000 crore. I thought to bring to the notice of the hon. Committee. ……"

2.8 On specific query over the substantial reduction in both, MH-2401: Nutrient Based Subsidy Policy(NBS) and MH-2852- Industry: Urea Subsidy at initial stage, it has been clarified by the Department of Fertilizers in the written replies that the BE is finalized by the Budget Division, Ministry of Finance, after discussions with the Ministry after taking into considerations the past trends and assessment on various parameters and is reviewed at RE stage for further enhancement, if required.

2.9 So far as the impact of the reduced allocation at the BE stage on the schemes/programmes, is concerned, it has been stated in the written replies that in case the allocations for fertilizer subsidy are not sufficient depending upon various parameters like natural gas prices, international prices of finished fertilizers and actual sale of different fertilizers, then supplementary grants are proposed followed by RE budget, when the allocations are reviewed and considered for revision by the Ministry of Finance.

2.10 The data of the budget proposed and actually allocated in Schemes during the last 3 years and FY 2025-26 is as below:

(Rs. in Crore)

Scheme	2022-23		2023-24		2024-25		2025-26	
	Proposed	Allocation	Proposed	Allocated	Proposed	Allocated	Proposed	Allocated
Ind. P&K	43810.22	25200.00	65023.00	25500.00	45466.00	26500.00	36451.00	30000.00
Imp. P&K	28891.78	16800.00	42086.00	18500.00	39836.00	18500.00	19214.00	19000.00
Ind. Urea	72128.00	46596.78	143962.00	104063.18	105340.36	100340.00	106605.36	100839.50
Imp. Urea	31873.00	20590.00	48640.00	31000.00	31956.00	22634.00	22185.00	21000.00
MDA	--	--	--	--	484.28	100.00	150.00	150.00

2.11 An analysis of Demands for Grants 2025-26 i.e. percentage increase/ decrease in various Heads over the last 3 years is as under:

(Rs. In crores)

Sl No	Scheme	BE 2022-23	BE 2023-24	BE 2024-25	Average BE from 2022-23 to 2024-25	BE 2025-26	% increase in BE 2025-26 in comparison to Svg BE 2022-23 to 2024-25	% increase in BE 2025-26 in comparison to BE 2024-25
1	Indigenous P&K	25200.00	25500.00	26500.00	25733.33	30000.00	16.58	13.2
2	Imported P&K	16800.00	18500.00	18500.00	17933.33	19000.00	5.95	2.7
3	Indigenous Urea	46596.78	104063.18	100340.00	83666.65	100839.50	20.53	.50
4	Imported Urea	20590.00	31000.00	22634.00	24741.33	21000.00	-15.12	-7.2
5	MDA	--	--	100.00	100	150.00	50.00	50.00

2.12 HEAD-WISE ALLOCATION BREAK-UP

I. **Secretariat Economic Service (Major Head 3451) -** A sum of Rs. 48.56 Crore has been allocated under the Head for Salaries and Non Salary Expenditure under various heads for Secretariat Economic Services under Revenue and under **Capital Outlay on General Economic Services (Major Head 5475)** Rs. 15.18 Crore have been allocated for the Department of Fertilizers including the Pay and Accounts Office and Fertilizers Industry Coordination Committee (FICC) in the BE 2025-26.

II. Subsidy for Fertilizers

A. Scheme for Nutrient Based Subsidy (2401)

(Rs. in Crore)

Scheme for Nutrient Based Subsidy (2401)	BE 2024-25	BE 2025-26	% Change
A) Payment for Indigenous P & K	**26500.00**	**30000.00**	**13.2**
B)Payment for Imported P & K	**18500.00**	**19000.00**	**2.7**
Total	**45000.00**	**49000.00**	**8.89**

Rs. 49,000 Crore have been allocated for payment of P&K Fertilizers under NBS Scheme. In addition to above, there is provision of Rs. 3,000 Crore which is for transfer to Oil Industry Development Fund (OIDF) w.r.t. Indigenous P&K. The same amount has been shown as Recoveries against 'Amount met from OIDF'.

B. Urea Subsidy (Major Head: 2852)

(Rs. in Crore)

Urea Subsidy (Major Head: 2852)	BE 2024-25	BE 25-26	% Change
A. Payment for Indigenous Urea	**100340.00**	**100839.50**	**.5**
B. Payment for Imported Urea	**22634.00**	**21000.00**	**-7.22**
C. Market Development Assistance (MDA)	**80.00**	**100.00**	**25**

D. R&D for MDA	**20.00**	**50.00**	**150**
E. DBT*	**5.80**	**27.70**	**377.59**
F. Subsidy support to Indian shipping companies	**0.01**	**1.50**	**14990**
G. ICFFTR	**2.5**	**Nil**	**-100**
Gross Allocation	**123082.31**	**122018.70**	**-.86**
(-) Recovery	**3980.00**	**2980.00**	**-25.12**
Net Allocation	**119102.31**	**119038.70**	**-.05%**

In nutshell, the following is the major portion under **MH 2852**:

* Rs. 1,21,839.50 Crore have been allocated for Urea Subsidy which includes payment for Indigenous Urea and Imported Urea. In addition to above, there is provision of Rs. 10,000 Crore which is for transfer to **Oil Industry Development Fund (OIDF)** w.r.t. Indigenous Urea. The same amount has been shown as Recoveries against 'Amount met from OIDF'.

* Rs. 100 Crore for **Market Development Assistance** and Rs. 50 Crore for its R&D have been allocated under the scheme of MDA for GOBARdhan initiative for promotion of organic fertilizers.

* Rs. 40.00 Crore for **DBT** (Rs. 12.30 Crore under MH 2852 and Rs. 27.30 Crore under MH 5475 – capital expenditure) for implementing DBT/DCT in Fertilizer subsidy across India.

2.13 The Committee have been provided with the Budget Estimates, Revised Estimates and Actual Expenditure figures for the last three years showing budgetary allocations, expenditure as per table given below:

(Rs. in Crore)

Year	BE	RE	AE
2022-23	**109242.23**	**228530.62**	**254841.43**
2023-24	**179128.48**	**192479.29**	**195466.65**
2024-25	**168130.81**	**189336.29**	**163319.69***
2025-26	**171082.44**	**--**	**--**

*** Actual Expenditure (AE) 2024-25 is up to 06.02.2025**

Recoveries & Carry-Over Liabilities

2.14 When enquired over the reasons for huge recoveries of Rs. 2980 Crore under imported urea, the Department of Fertilizers have stated in reply that recoveries have been estimated as per the anticipation of import of Urea, which is 60 LMT for 2025-26 and on which PIP cost (Rs.4974/PMT) needs to be recovered. These recoveries cannot be avoided since Import of Urea is controlled and all expenses have been incurred from the Subsidy head of account, as such the recovery of cost of the Imported Urea need to be shown against recoveries only.

2.15 While submitting written replies with regard to the scheme-wise details of the plan outlays and expenditure during the last three years, the Department of Fertilizers have submitted the following information:

Sl. No.	Scheme	2022-23			2023-24			2024-25			B.E. 2025-26
		BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp. up to 17.01.2025	
1	Ind. P&K	25200.00	42089.67	50089.67	25500.00	32370.00	36270.00	26500.00	33810.00	27045.76	30000.00
2	Imp. P&K	16800.00	29032.56	36032.56	18500.00	27930.00	28929.57	18500.00	18500.00	16244.40	19000.00
3	Ind. Urea	46596.78	118457.24	127311.10	104063.18	102121.00	102027.00	100340.00	101307.50	86346.81	100839.50
4	Imp. Urea	20590.00	38894.15	41365.60	31000.00	30000.00	28193.94	22634.00	21000.00	16611.31	21000.00
5	MDA							100.00	45.00	18.19	150

2.16 On being enquired as to whether the Department would be able to utilize all the unspent funds under the various schemes during 2024-25 to obviate surrender and subsequent downsizing of the budget in the consecutive years, it has been intimated in the written replies that as on 19.02.2025, this Department has utilized approximately 94% of the funds against RE 2024-25 and the remaining funds are also expected to be utilized by the end of this fiscal year.

Targets and Achievements

2.17 The Budget Head-wise target and achievement for the last 3 years furnished by the Department of Fertilizers in their written replies are given below:

(In LMT)

S. No	Name of Scheme	Division	2022-23			2023-24			2024-25 (Upto December 2024)			% of achievement for last 3 years	2025-26 Target
			Target	Achievement	Shortfall indicating reasons %	Target	Achievement	Shortfall indicating reasons %	Target	Achievement	Shortfall indicating reasons %		
1.	Urea	PMI-I	317.01	284.94	-10.12	308.70	314.09	1.75	239.49	232	-3.13	96.07	295.33
2.	P&K	PMI-I	275.04	200.35	-27.16	279.73	189.25	-32.34	210.79	159.62	-24.28	71.74	147.19

2.18 On enquiry as to whether the production target set under the Urea and P&K Schemes during the year 2024-25 are likely to be achieved during the remaining period considering the current shortfall under Urea and P&K, the Department of Fertilizers have submitted in their written replies for evidence that there is 3.13% shortfall in production of Urea, whereas there is a shortfall of 24.28% in production of P&K fertilizers during 2024-25. The Department is likely to achieve the target production of Urea in 2024-25. However, the target in respect of P&K Fertilizers for the year 2024-25 is not likely to be achieved.

2.19 The reasons for low production of Urea has been stated to be because of (i) emergency shut down due to technical/operational issues and (ii) due to selling out of Nagarjuna Fertilizers and Chemicals Limited leading to non-supply of Urea. With regard to shortfall in production of P&K Fertilizers it has been stated that Country is import dependent for raw materials/intermediates of both phosphatic and potassic fertilizers. The import of raw materials/intermediates is impacted by price volatility and geopolitical constraints which may impact the domestic production. P&K fertilizers are covered under Open General License (OGL) and companies are free to import /produce fertilizer raw materials, intermediaries and finished fertilizers as per their market dynamics.

2.20 The Department while furnishing the difference between the physical and financial targets for various Budget schemes fixed during the last three years have submitted in the written replies that for Urea, the targets include100 percent capacity

up to Re-assessed (RAC) plus the expected production by the units beyond RAC/installed capacity. In case of production beyond RAC, the subsidy payable to the units is subject to the import parity price (IPP) plus incidental charges. Therefore, the production beyond RAC varies from year to year depending upon the cost of raw material, IPP etc. Further, it has been observed that some units fail to produce even up to their RAC due to some unforeseen circumstances such as non-availability of feedstock, plant accidents, technology up-gradation projects etc. Therefore, the actual production of urea usually varies from year to year. Year wise targets, re-assessed capacity (i.e. recognized annual production capacity) and actual production of urea since 2021-22 are as under:

(In LMT)

Year	Target	RAC	Production
2021-22	280.04	230.24	250.72
2022-23	317.01	221.64	284.94
2023-24	308.70	283.74	314.07

2.21 It is evident from the above that the actual production of urea is higher than the RAC. However, during 2021-22, the target also included the target given to Sindri, Barauni and Gorakhpur units which could not start production during 2021-22. Further, target was given to Matix at its 100 percent annual capacity. However, Matix could start production only after getting gas pipeline connectivity in September, 2021 and could not achieve the target. Similarly, RFCL-Ramagundam was given target but it could produce only 3.83 LMT of urea as the plant was under stabilization. Similarly, during 2022-23 the target also included the target given to Barauni and Sindri units which could start production from October, 2022 and November, 2022 and they could produce only 1.74 LMT of urea each. However, after stabilization of these plants, the actual production of urea in the country exceeded the target set for the year 2023-24. It is also pertinent to mention here that although the production during 2021-22 and 2022-23 was lower than the target, there was no shortfall in the availability of urea to farmers as the gap between requirement and production of urea was fulfilled through imports.

2.22 The policy on promotion of organic fertilizers is a new scheme approved by the CCEA in its meeting held on 28th June, 2023 wherein MDA @ Rs.1500/MT has been

provided to promote organic fertilizers with total outlay of Rs. 1451.84 crore (FY-2023-24 to 2025-26), which includes a corpus of Rs. 360 Crore for research gap funding, etc.

2.23 Year-wise Budgetary provision and expenditure under MDA & Research & Development to promote FOM/LFOM/PROM is as under:

(Rs. in crore)

Year	Budgetary Provisions		Budgetary Provisions	
	MDA	MDA released	R&D	Expenditure on R&D
2023-24 (RE)	5.00	0.0	1.00	0.25
2024-25 (RE)	35.0	16.0 (up to 06.02.2025)	10.0	4.56 (up to 06.02.2025)
2025-26 (BE)	100	-	50	-

Re-appropriation/Surrender of Funds

2.24 The Committee have been informed that the budget Head/Scheme-wise details of funds which could not be utilized and were surrendered or re-appropriated in the Demand No. 6-Department of Fertilizers, for FY 2024-25 are as under:

Scheme/Component	Re-appropriated (Rs. in Crore)	Reasons
Secretariat Expenditure	0.96	Major savings are in 'Salaries' and 'Allowances' because some Gazetted and non-gazetted posts remained vacant.
Urea Subsidy Scheme	666.50	Quantity of import is lesser than anticipated at BE stage.
MDA scheme for promotion of Organic Fertilizers	55.00	Lesser number of bills were claimed than anticipated at BE stage.
Subsidy Support to Indian Shipping Companies	2.00	Estimated expenditure at RE stage is lesser than anticipated requirement.
Assistance and Loan to PSUs	0.06	Token amounts of Rs.1 Lakh each were re-appropriated because no loans were given to PSUs in the current FY.

2.25 On being asked over the inability in calculating the actual demands of imported Urea during 2024-25 leading to re-appropriation of Rs. 666.50 crore, the Department have stated in the written replies that BE 2024-25 was prepared with higher estimates

of urea imports, which has gradually reduced during the year 2024-25 resulting re-appropriation. This Department has already assessed the anticipated quantity for the year 2025-26 and accordingly prepared the BE. With regard to re-appropriation of 96 lakh under Secretariat Expenditure, it has been submitted that out of re-appropriation of Rs.96 lakh from Secretariat Expenditure, re-appropriation on Salary is only Rs.13 Lakh. Regular vacancies are filled up by Department of Personnel & Training (DoPT). Action is being taken up with DoPT to fill up the vacant posts.

CHAPTER – III

FERTILIZER SUBSIDY POLICIES OF THE GOVERNMENT

A. Nutrient Based Subsidy (NBS) Policy

3.1 The Committee have been informed that the NBS Policy is operational *w.e.f.* 01.04.2010 for Phosphatic (P) and Potassic (K) fertilizers. Under the NBS Policy, the Government announces a fixed rate of subsidy (in Rs. per Kg basis), on each nutrient of subsidized P&K fertilizers, namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S), on annual/bi-annual basis taking into account all relevant factors including international prices, exchange rate, inventory level and prevailing Maximum Retail Prices of P&K fertilizers. The per Kg subsidy rates on the nutrients N, P, K, S is converted into per tonne subsidy on the various subsidized P&K fertilizers covered under NBS Policy. Under the policy, any variant of the subsidized P&K fertilizers with secondary and micronutrients (except Sulphur 'S'), as provided for under FCO, is also eligible for subsidy. There is separate additional subsidy for micronutrients namely Boron and Zinc. The secondary and micro-nutrients (except 'S') in such fertilizers attracts a separate per tonne subsidy to encourage their application along with primary nutrients.

3.2. Presently, the NBS Policy is applicable on 28 Grades of P&K fertilizers including, Di- Ammonium Phosphate (DAP), Mono Ammonium Phosphate (MAP), Muriate of Potash (MOP), Triple Super Phosphate (TSP), 3 grades of Single Super Phosphate (SSP), Ammonium Sulphate produced by FACT and GSFC, Potash Derived from Molasses (PDM) and other 19 grades of NPKS Complex fertilizers.

3.3 Under the Policy, MRP of P&K fertilizers have been left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates which is checked by Government. In effect, the domestic prices are determined by demand-supply mechanism. Under the Policy, MRP of P&K fertilizers left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates which is demand-supply driven. However, in view of impact of covid, different geo-political situations and prolonged Red Sea crisis, while making available P&K fertilizers, it is

ensured that they are available at affordable prices to the farmers. Accordingly, any sharp volatility is considered while deciding the NBS subsidy by the Government.

3.4 An Inter-Ministerial Committee (IMC) has been constituted with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives of Department of Agriculture & Farmers' Welfare (DA&FW), Department of Expenditure (DOE), NITI Aayog and Department of Agricultural Research and Education (DARE). This Committee recommends per nutrient subsidy for 'N', 'P', 'K' and 'S' before the start of the financial year/cropping season for decision by the Government (Department of Fertilizers). The IMC recommends a per tonne additional subsidy on fortified subsidized fertilizers carrying secondary (other than 'S') and micro- nutrients. The Committee also recommends inclusion of new fertilizers under the subsidy regime based on application of manufacturers/ importers and its need appraised by the Indian Council for Agricultural Research (ICAR), for decision by the Government.

3.5 It has been stated that to ensure that the MRPs of P&K fertilizers covered under NBS Scheme are fixed reasonably, it is mandatory for the fertilizer companies to submit certified cost data along with their subsidy claims to examine and ensure that the MRPs fixed by the companies are reasonable w.e.f. 2012-13. Guidelines dated 15.11.2019 & 18.01.2024 for evaluation of reasonableness of MRP's of Phosphatic & Potassic (P&K) fertilizers by P&K fertilizer companies under the Nutrients Based Subsidy (NBS) Scheme has been issued by the Government to keep MRPs of P&K fertilizers at reasonable level and affordable to farmers. The Government has also stipulated that in cases, where after scrutiny, unreasonableness of MRP is established or where there is no correlation between the cost of production or acquisition and the MRP printed on the bags, the subsidy may be restricted or denied even if the product is otherwise eligible for subsidy under NBS. In proven case of abuse of subsidy mechanism, the Department, on the recommendation of Inter-Ministerial Committee may exclude any grade/grades of fertilizers of a particular companies or the fertilizer companies itself from the NBS Scheme. As per the reasonability guidelines dated 18.01.2024, the profit earned above 8% (for importers)/ 10% (for manufacturers)/12%

(for integrated manufacturers) of Cost of Sales of product is treated as unreasonable based on cost data submitted by the companies.

3.6 The Department of Fertilizers, in their written replies, have submitted that the Department of Expenditure, on 01.02.2022, has apprised that Cabinet has approved continuation of NBS scheme till 31.03.2026 or till further review based on appraisal by Expenditure Finance Committee(EFC).

3.7 When the Committee wanted to know the new policy initiatives under consideration, the Department of Fertilizers in their written replies have submitted that BE 2025-26 of Rs. 49,000 crore for P&K will help D/o Fertilizers to effectively implement NBS Scheme and help farmers to receive P&K fertilizers at affordable rates. This will help in meeting the food security of the Country. The BE 2025-26 for Nutrient Based Subsidy (NBS) scheme will also help meeting following objectives:

i. To promote balanced use of fertilizers as the present fertilizer nutrient usage is tilted towards Nitrogen nutrient.
ii. To improve availability of fertilizers to farmers as the subsidy will encourage production/import of P&K fertilizers and thus availability of P&K fertilizers in India.
iii. To encourage competition among fertilizer companies as prices under NBS scheme is decontrolled and are determined by demand supply mechanism. This encourages competition among fertilizer companies to provide P&K fertilizers at competitive rates, improve quality of their fertilizer products.

3.8 Setting up of Urea Plant at Namrup has been announced in 2025-26 to produce 12.7 LMT/annum of Urea.

3.9 On a specific query as to whether the NBS policy is presently meeting the objective of promoting balance use of fertilizers, the Department of Fertilizers in their replies for evidence have stated that a third party study conducted by M/s SANTEK on impact of NBS policy in 2020 has shown that use of Phosphatic & Potassic (P&K)

fertilizers helped in improving productivity in the farm land and multi-nutrient deficiency of the soil. The consumption of NPK fertilizers rose from 281.22 LMT in 2010-11 to 290.39 LMT in 2019-20. As per the report, there is a substantial increase in production of major crops since inception of NBS scheme. Food grain yield per hectare increased from 1930 Kg/hectare in 2010-11 to 2233 Kg/hectare in 2017-18, an increase of 16% over a period of 7 years.

3.10 On a query related to new fertilizer products added to the nutrient based fertilizers basked, the Department of Fertilizers in their replies for evidence have stated the new products notified under NBS Scheme during the last 5 years are as under:

Sl. No.	Name of Product	Date of notification under NBS
1.	NP 14-28-0-0	03.04.2020
2.	NPK 8-21-21	20.05.2021
3.	NPK 9-24-24	20.05.2021
4.	PDM 0-0-14.5-0	13.10.2021
5.	NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur	01.04.2024
6.	Urea-SSP Complex 5-15-0-10	01.04.2024
7.	SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron	01.04.2024

3.11 On being asked as to whether any cases of un-reasonable pricing of NPK fertilizers have been reported since implementation of the NBS Scheme w.e.f. 2012-13, the Department of Fertilizers in their written replies for evidence have responded in the negative stating that NBS Scheme ensures price as per market dynamics. DoF monitors the prices of P&K fertilizers. Besides, Department has issued guidelines dated 15.11.2019 and 18.01.2024 to evaluate reasonableness of MRP fixed by P&K fertilizer companies.

3.12 With regard to the action taken on private companies importing negligible quantities of NPK fertilizers not matching the annual requirements, the Department of Fertilizers in their written replies for evidence have stated that in case of Phosphatic and Potassic (P&K) fertilizers, Government has implemented Nutrient Based Subsidy (NBS) Policy w.e.f. 01.04.2010. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided to manufacturer / importer on notified P&K fertilizers depending on their nutrient content i.e. Nitrogen (N), Phosphorus (P), Potassium (K) and Sulphur (S) to improve availability of fertilizers to farmers. Replying to the point related to the steps taken to address shortage of DAP leading to black marketing, the Department stated that In wake of recent Geopolitical crisis which led to major disruption in import of fertilizers, the companies incurred major losses due to diversion of ships through longer route for imports. In view of this, pro-active steps were taken in Kharif 2024 itself to ensure smooth availability of P&K fertilizers to the farmers. In July 2024 the Government took immediate measures to ensure regular imports through a one-time special package on DAP beyond the NBS rates for the period from 01.04.2024 till 31.12.2024 @ 3500 per MT which has later been extended till 31.03.2025 to ensure sustainable availability of DAP at affordable price to the farmers. Also, increase in subsidy has been linked to the international market prices. Thus, if the procurement price of P&K fertilizers including DAP increase in the global market, the procurement/ importing capacities of the companies will not be impacted and import ensured.

3.13 Under the NBS Policy, if any new company after induction into the subsidy scheme fails to import any subsidized P&K fertilizer continuously for 2 years or any existing company fails to import/does not import any subsidized P&K fertilizer during two continuous financial years, the registration of the importer is deemed to be cancelled. Further, Subsidy is provided to the companies which are inducted under NBS only on PoS sale of P&K fertilizers. So, if any company does not do PoS sale, the financial implications will be borne by the company.

3.14 When the Committee specifically enquired about the grade of NPKS fertilizer required for the soil of West Bengal and the grade supplied, the Department of Fertilizers in their post evidence written replies have submitted that before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW) assesses the State-wise & month-wise requirement of fertilizers. To fulfil this requirement of fertilizers in the States as per assessment done by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plans. Further, DA&FW provides the overall requirement of NPKS fertilizers to D/o Fertilizers. However, grade-wise supply of NPKS fertilizers is done by the fertilizer companies as per the request of the State Governments. So far as revision of grades of NPKS, it has been stated that on the basis of appraisal of need by the Indian Council for Agricultural Research (ICAR), the DA&FW decides the inclusion/revision of grades of NPKS fertilizers in FCO. As a result, the number of grades under NBS has increased from 22 grades in 2021 to 28 grades at present. 06 new grades added are NPK 08-21-21, NPK 09-24-24, Potash Derived from Molasses(PDM) (0-0-14.5-0), NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur, Urea-SSP Complex 5-15-0-10 and SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron.

B. Urea Subsidy Scheme

3.15 Urea Fertilizer have played an important role in making the country self-reliant in food grain production. It provides a very vital input for the growth of Indian agriculture and in the attainment of the goal of self-sufficiency in food grains. The objective of Government's policy is to maximize indigenous production of Urea to reach self-sufficiency levels. For sustained agricultural growth, it is imperative that Urea is made available to farmers at affordable prices.

3.16 Urea Subsidy Scheme which is a Central Sector Scheme of the Ministry of Chemicals & Fertilizers is wholly financed by the Government of India through Budgetary Support. Urea Subsidy Scheme has three components, i.e., Indigenous Urea, Imported Urea and Uniform Freight Subsidy. Indigenous urea subsidy is administered to the urea units towards indigenous urea production. Imported Urea subsidy is directed towards imports made to bridge the gap between assessed

demand and indigenous production of urea in the country. Both components also include freight subsidy for movement of urea across the country under the Uniform Freight Subsidy Policy.

3.17 Under Urea Subsidy Scheme, Urea is presently provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers of the Country are being supplied urea at the subsidized rates and thereby are beneficiaries of this scheme.

3.18 Urea Fertilizer have played an important role in making the Country self-reliant in food grain production. It provides a very vital input for the growth of Indian agriculture and in the attainment of the goal of self-sufficiency in food grains. The objective of Government's policy is to maximize indigenous production of Urea to reach self-sufficiency levels. For sustained agricultural growth, it is imperative that Urea is made available to farmers at affordable prices.

3.19 Urea Subsidy Scheme which is a Central Sector Scheme of the Ministry of Chemicals & Fertilizers is wholly financed by the Government of India through Budgetary Support. Urea Subsidy Scheme has three components, i.e., Indigenous Urea, Imported Urea and Uniform Freight Subsidy. Indigenous urea subsidy is administered to the urea units towards indigenous urea production. Imported Urea subsidy is directed towards imports made to bridge the gap between assessed demand and indigenous production of urea in the country. Both components also include freight subsidy for movement of urea across the Country under the Uniform Freight Subsidy Policy.

3.20 Further, a proposal for Continuation of the existing Urea Subsidy Scheme for FY 2025-26 i.e from 01.04.2025 to 31.03.2026 has been sent to Department of

Expenditure for taking up the appraisal of the Scheme for its continuance from 01.04.2025 till 31.03.2026.

3.21 In reply to a query on the related issue, the Department of Fertilizers in their written replies for evidence have submitted that the indigenous production of urea does not commensurate with requirement of urea in the Country and the gap is fulfilled through imports. However, to maximize indigenous production of Urea in order to reach the self-sufficiency levels and reduce fertilizer imports, the Government has implemented several key measures. These steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24 including a beyond RAC production of around 42 LMT.

3.22 So far as the prices of the fertilizers under the Urea Subsidy and NBS are concerned, the Secretary, Department of Fertilizers during evidence held on 24.02.2025 submitted that:

> *"…….In urea, as you know the price is fixed. That is done by the Government. Subsidy is variable. If the gas price increases, we supply more funds to the manufacturer. If it decreases, it becomes low. But the price never changes. It has not changed for many years. It is the same, Rs.266 per 45 kg. NBS applies to P&K fertilizer and DAP, MOP, NPK and SSP are under it. All the imports that we do, they are all on the open general licence. The market decides the price. The subsidy is based on nutrient content. Only one exception is that since April 1, 2022, the price of DAP has remained constant. So, it is a slight digression from NBS itself."*

3.23 In the existing Urea and P&K subsidy schemes of the Department, there is no component of Research & Development (R&D).

Market Development Assistance (MDA)

3.24 Pursuant to the Budget Announcement, 2023 and on the recommendations of the Expenditure Finance Committee (EFC), the Government has approved the Market

Development Assistance (MDA)@ Rs. 1500/MT to promote organic fertilizers, viz., FOM/LFOM/PROM produced at plants under GOBARdhan initiative covering different Biogas/CBG support schemes/programmes of stakeholder Ministries/Departments such as Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of MoPNG, 'Waste to Energy' programme of MNRE, Swachh Bharat Mission (Rural) of DDWS, etc. with total outlay of Rs. 1451.84 Crore (FY 2023-24 to 2025-26), which includes a corpus of Rs. 360 Crore for research gap funding, etc.

3.25 The Year-wise Budgetary provision and expenditure under MDA & Research & Development to promote FOM/LFOM/PROM is as under:

(***In Crore***)

Year	Budgetary Provisions		Budgetary Provisions	
	MDA	MDA released	R&D	Expenditure on R&D
2023-24 (RE)	5.00	0.0	1.00	0.25
2024-25 (RE)	35.0	16.0 (up to 06.02.2025)	10.0	4.56 (up to 06.02.2025)
2025-26 (BE)	100	-	50	-

3.26 With regard to the reasons for under performance in MDA, the Department of Fertilizers in their written replies for evidence have submitted that, at the end of FY 2023-24, the incorporation the MDA scheme under PFMS could not be materialized due to administrative reasons. During FY 2024-25 (as on 19.02.2025), expenditure of Rs.17.74 Crore has been incurred and claims for Rs. 4.15 Crore are in hand. In case all the registered companies submit their claims, it might be possible that the allocated fund will be fully utilized.

3.27 It may be stated that the scheme of Market Development Assistance was

approved by Cabinet in June, 2023. The Scheme guidelines were issued on 20.09.2023. However, in order to enhance the ease of doing business and promote use of FOM/LFOM/PROM and based on the discussions with the stakeholders, these guidelines and SOPs were revised on 21.06.2024, 04.09.2024 and 11.10.2024.

3.28 However, due to coordination with different Departments like Ministry of Agriculture & Farmers Welfare, Ministry of Petroleum & Natural Gas, Department of Drinking Water & sanitation and State Governments to promote the sale of FOM/LFOM/PROM, department has utilized Rs.22.55 crore out of Rs.45 crore allocated under RE 2024-25 under the MDA Scheme. Department of Fertilizers is continuously working towards promotion of organic fertilizers by enhancing the ease of doing business of CBG/BG plants. Numerous meeting have been organized with all with stakeholders, viz. CBG plants, DA&FW, DDWS, MoPNG and State Government Agriculture Departments. DoF is regularly following up with all stakeholders to explore ways to increase participation of CBG/BG plants. It is expected that in the coming year we will be able to utilize more funds.

3.29 As for, under-utilisation of funds under the Research & Development, the Department of Fertilizers have submitted that proposals on R&D in organic fertilizers have been invited from Central/State Research Institutes, non-private fertilizer cooperatives. A committee under the chairpersonship of AS (Fertilizers) has been constituted to assess/evaluate the R&D proposals and recommend budgetary support, etc. Three proposals, 01 from Y S Parmar University and 02 from ICAR have been approved by the committee. PDIL has been nominated as Central Nodal Agency (CNA) for Central Sector Scheme of Promotion of Organic Fertilizers (Research & Development). Details of all R&D activities and the amount so far sanctioned is as under:

Sl. No.	Agency	Project	Period	Amount (Rs. In Lakhs)	Funds released (Rs. In lakhs) (*Date of Sanction*)
1.	Indian Council of Agriculture Research (ICAR)	Enrichment of FOM produced from CBG plants and development of package of practices (PoP) for major crops	2 years (w.e.f. 30.08.2024)	235.00	58.75 (20-09-2024)
2.	Dr. Y.S. Parmar University of Horticulture & Forestry	Efficacy studies of "PROM" on important vegetable crops.	3 years (w.e.f. 27.08.2024)	98.33	24.58 (20-09-2024)
3.	Indian Council of Agriculture Research (ICAR)	Awareness about FOM/LFOM amongst farmers and conducting FOM demonstrations/ pilot study at KVK farm and farmers' field	2 years (w.e.f. 29.11.2024)	1179.00	397.82 (13-12-2024)
	Total			1512.33	481.15

PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother-Earth (PMPRANAM):

3.30 PM PRANAM Scheme has been conceived with an objective to promote the use of alternate fertilizers (organic/bio/nano), natural/organic farming and resource conservation technologies in agriculture. This will reduce the dependency on chemical fertilizers. States/UTs reducing the consumption of chemical fertilizers would receive a grant. Subsequently, action plan from 22 States have been received.

3.31 With regard to a query on efforts taken to promote PM-PRANAM, it is stated that the Cabinet Committee on Economic Affairs (CCEA) approved the PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother Earth (PM-PRANAM) on June 28, 2023, to support sustainable and balanced fertilizer use, encourage alternative fertilizers, and promote organic and natural farming. Under this scheme, States/UTs that reduce chemical fertilizer consumption (Urea, DAP, NPK, MOP) compared to the average of the previous three years will receive 50% of the subsidy saved as a grant, which can be used for farmer welfare initiatives. The mechanism for disbursement of funds is under finalization with the Department of Expenditure and the Department of Economic Affairs. As part of the Viksit Bharat Sankalp Yatra (VBSY) from November 15, 2023, to February 2024, 1.79 lakh drone demonstrations were conducted for Nano Fertilizer spraying, raising

awareness about PM-PRANAM and balanced fertilizer use. During the campaign, 2 lakh Sankalp Patras were signed by farmers at PMKSKs, pledging support for balanced fertilizer usage. The Department of Fertilizers (DoF) is actively engaging with States to encourage interventions under PM-PRANAM, ensuring reduced chemical fertilizer use without affecting productivity. To further promote PM-PRANAM, the DoF issued guidelines on January 31, 2025, directing Fertilizer Companies to conduct Camps/Kisan Sangoshtis on balanced fertilizer use. So far, 95,091 such camps have been organized, and during 2024-25 (up to January 31, 2025), 35,633 events were held to promote FOM/LFOM/PROM under the scheme. Since the issuance of the latest guidelines, 294 Kisan Sangoshtis have been conducted, with 22,547 farmers participating in interactive sessions involving farmer cooperatives, SHGs, and panchayats. State-wise details of events/camps/Kisan Sangoshtis are as under:

Sl. No.	STATE	EVENTS, CAMPS, KISAN SANGOSHTI ORGANIZED TILL 28.02.2025
1.	A & N Island	5
2.	AP	1,854
3.	Assam	567
4.	Bihar	2,032
5.	CG	627
6.	Delhi	30
7.	Gujarat	2,195
8.	Haryana	1,071
9.	Himachal Pradesh	85
10.	J&K	94
11.	Jharkhand	375
12.	Karnataka	4,162
13.	Kerala	248
14.	MP	2,956
15.	Maharashtra	3,331
16.	Manipur	9
17.	Mizoram	12
18.	Odisha	1,365
19.	Puducherry	24
20.	Punjab	1,297
21.	Rajasthan	1,564
22.	Tamil Nadu	1,203

Sl. No.	STATE	EVENTS, CAMPS, KISAN SANGOSHTI ORGANIZED TILL 28.02.2025
23.	Telangana	1,923
24.	Tripura	27
25.	Uttar Pradesh	6,492
26.	Uttarakhand	87
27.	West Bengal	2,285
	Total	35,927

3.32 On balance use of fertilizers, the representative Department of Fertilizers during evidence held on 24.02.2025 submitted as under:

> *"सर, डिपार्टमेंट ऑफ फर्टिलाइजर ने कैमिकल फर्टिलाइजर के ओवर यूज को कम करने के लिए और मृदा की हेल्थ को सेव करने के लिए सस्टेनेबल एंड बैलेंस्ड यूज ऑफ फर्टिलाइजेशन के माध्यम से कैसे आगे बढ़ सकते हैं, उसके लिए हमने कुछ स्कीम्स बनाई हैं। उसमें हमारी पहली स्कीम 'पीएम प्रणाम' स्कीम है। यह स्कीम 28 जून, 2023 को सी.सी.ई.ए. से अप्रूव हुई थी। इस स्कीम से रिलेटेड गाइडलाइन हमने सितम्बर, 2023 में सर्कूलेट की थी। इस स्कीम की सबसे महत्वपूर्ण बात यह है कि इसमें हमने स्टेट्स को इंसेंटिवाइज करने के लिए प्लान बनाया है कि जो भी स्टेट्स अपने कैमिकल फर्टिलाइजर के यूज को कम करेंगे, उससे उनको जो सब्सिडी की सेविंग होगी, हम उस सब्सिडी के सेविंग का 50 परसेंट उन स्टेट्स को इंसेंटिव के रूप में देंगे।*
>
> *सर, इसमें हमने इंसेंटिव का कैल्कुलेशन किया है। इसमें हम वर्ष 2020-21 से वर्ष 2022-23 तक तीन साल तक फर्टिलाइजर के कंजप्शन का डाटा जो हमारे आईएफएमएस सिस्टम में है, उसके एवरेज की तुलना में पहला साल है, चूंकि वर्ष 2023-24 में किस तरह से इन स्टेट्स में अगर कैमिकल फर्टिलाइजर का यूज तीन वर्ष के एवरेज की तुलना में कम हुआ है तो जितना कम हुआ उसका हम कैल्कुलेट करके उसका 50 परसेंट उनको इंसेंटिव के रूप में देंगे।*
>
> *सर, अभी हमने कुछ कैल्कुलेशन आईएफएमएस सिस्टम के बेस पर प्रोविजनली किया है और इसको डिपार्टमेंट ऑफ एक्सपेंडिचर के पास भेजा है। अभी वहां से इसका फाइनलाजेशन होना बाकी है।...."*

<u>Nano Urea</u>

3.33 The Government of India have notified the specifications of Nano Urea under Fertilizer Control Order, 1985. Nano Fertilizers hold great promise for application in plant nourishment because of the size-dependent qualities, high surface-volume ratio and unique optical properties. These fertilizer releases plant nutrients in a controlled manner contributing to higher nutrient use efficiency; and easy to carry in the field.

3.34 Six (06) Nano Urea units with production capacity of 27.62 crore bottles (500ml) have been set up. 5 more units will be commissioned by 2025-26.

3.35 The Government of India has notified the specifications of Nano nitrogen under the Fertilizer Control Order, 1985. Nano Urea produced by IFFCO (4% Nitrogen), Zuari Farm Hub Limited (8% Nitrogen), Coromandel International Limited (12% Nitrogen), and Ray Nano & Research Centre (4.4% Nitrogen) have been approved by the Department of Agriculture & Farmers Welfare (DA&FW). Recently, Nano Urea Plus produced by IFFCO, containing 16% Nitrogen, has also been notified by the DA&FW. The total Nano Urea production capacity is 27.22 Crore Bottles Per Year (500ml each).

3.36 With regard to commissioning of Nano Fertilizer Plants by fertilizer PSUs, the Department of Fertilizers in their written reply have stated that M/s Rashtriya Chemicals & Fertilizers Limited (RCF) has informed this Department that they are planning to initiate the commercial production of their Nano Urea in December, 2025 at their Trombay Plant. Moreover, M/s National Fertilizer Limited (NFL) has also informed that they are going to commence the commercial production of Nano Urea at their Nangal, Punjab plant. However, the anticipated date of commissioning of the same has not been ascertained by NFL.

3.37 With regard to specific query on the steps taken to popularize use of nano fertilizers in place of conventional fertilizers, the Department of Fertilizers in their post evidence replies have stated that to promote the use of nano fertilizers as a sustainable alternative to conventional fertilizers, various initiatives have been undertaken. The Viksit Bharat Sankalp Yatra (VBSY), launched on November 15, 2023, played a key role in spreading awareness. Promotional activities, including awareness camps, webinars, field demonstrations, Kisan Sammelans, and regional language films, have been conducted by PSUs, cooperative, and private companies. Nano Urea and Nano DAP have been made available at Pradhan Mantri Kisan Samridhi Kendras (PMKSKs) and included in the Department of Fertilizers' monthly supply plan. The Indian Council of Agricultural Research (ICAR), through the Indian Institute of Soil Science, Bhopal, organized a national campaign on efficient fertilizer use, including nano fertilizers. Innovative application methods such as Kisan Drones and battery-operated sprayers are being promoted through pilot training and custom

hiring services for village-level entrepreneurs. Furthermore, a mega campaign, "नैनो उर्वरक उपयोग संवर्धन महाअभियान," was launched on July 1, 2024, involving field demonstrations across 15 agro-climatic zones, supported by 408 ICAR-KVKs. By February 28, 2025, a total of 2.23 crore bottles of Nano Urea and 1.01 crore bottles of Nano DAP had been sold, indicating significant adoption by farmers.

3.38 While submitting on the topic, the representative of the Department of Fertilizers during evidence held on 24.02.2025 submitted as under:

"महोदय, नैनो उर्वरक के उपयोग को बढ़ाने के लिए विभाग की ओर से जुलाई, 2024 में एक नैनो उर्वरक उपयोग संवर्धन महाअभियान शुरू किया गया था। एक मेगा कैंपेन चलाया गया था, जिसका मुख्य उद्देश्य अवेयरनेस जेनरेट करना था। नैनो फर्टिलाइजर का जो उपयोग है, उसको फील्ड डिमॉन्स्ट्रेशन के माध्यम से बढ़ाया जाए और किसानों को जानकारी दी जाए। इसमें 15 एग्रो क्लाइमेटिक जोन्स हैं। उनमें यह अभियान चलाया गया है। अभी तक हमने 1,270 नैनो डीएपी और करीब 200 जिलों में नैनो यूरिया के डिमॉन्स्ट्रेशंस किए हैं।

*महोदय, इस महाअभियान के दौरान 1 जुलाई, 2024 से 31 जनवरी, 2025 के पीरियड में हमने करीब 2.12 करोड़ बोतल्स (प्रति 500 एमएल नैनो यूरिया) और 0.95 करोड़ बोतल्स (प्रति **500** एमएल नैनो डीएपी) सेल की हैं। हमने नैनो यूरिया की एफिकेसी, यूटिलिटी और इम्पैक्ट को स्टडी करने के लिए एक स्टडी दी है। इसकी तुलना में जो कंवेंशनल यूरिया है, जो हमारा यूरिया है, उसकी तुलना में एफिकेसी है। उसको देखने के लिए नेशनल प्रोडिक्टिविटी काउंसिल को एक स्टडी दी है, उन्होंने जिसकी ड्रॉफ्ट रिपोर्ट सबमिट की है। एनपीसी ने करीब आठ राज्यों में स्टडी की थी। आंध्र प्रदेश, असम, गुजरात, बिहार, कर्नाटक, मध्य प्रदेश, महाराष्ट्र और उत्तर प्रदेश हैं। इन आठ राज्यों के 24 जिलों के 120 गांवों में यह स्टडी की गई थी, जिसमें इन्होंने रिटेलर्स, किसानों, स्टेट एग्रीकल्चर यूनिवर्सिटी तथा केवीके से बात की है। उसके आधार पर यह स्टडी की गई है।*

महोदय, हमारे पास एनपीसी की ड्रॉफ्ट रिपोर्ट आई है। उसकी कुछ फाइंडिंग्स हैं। इसमें इन्होंने यह बताया है कि नैनो यूरिया प्लस है। 16 प्रतिशत नाइट्रोजन के साथ है, अगर इसका कंटेन्ट बढ़ता है, तो यह इसकी हायर उपज के लिए बहुत बेटर है। जो हमारी क्रॉप्स हैं, इनके उपयोग से इसकी उपज बढ़ रही है।

The second point is percentage increase in yield in combined application of conventional urea जो कंवेंशनल यूरिया तथा नैनो यूरिया है, अगर दोनों का फॉलियर और बेसल डोज में संयुक्त इस्तेमाल कर रहे हैं, तो उससे प्रतिशत बढ़ रहा है। उसका रेंज 1.65 प्रतिशत से 14.82 प्रतिशत है। अलग-अलग क्रॉप्स पर स्टडी की गई है। उसके आधार पर यह रिजल्ट आया है। जैसे बताया गया है, क्रॉप में जो अधिकतम उपज का प्रतिशत बढ़ा है, वह मटर में हुआ है। जो कि 6.14 से 14.82 प्रतिशत है। जो मिनिमम वृद्धि गन्ने में हुई है। वह 1.65 से 4 प्रतिशत है।

3.39 On the steps taken towards distribution of Drones to villages, it has been stated that the Namo Drone Didi Scheme is administered by the Department of Agriculture & Farmers Welfare (DA&FW), which is a Central Sector Scheme aimed at providing 15,000 drones to Women Self-Help Groups (SHGs) over three years (2023-24 to 2025-26) to support sustainable business and livelihood opportunities. Under this initiative, the Department of Fertilizers, through fertilizer companies, has facilitated the distribution of 1,094 drones to Namo Drone Didis, including 500 drones as a pilot initiative. The overall assessment of drone availability in villages falls under the purview of DA&FW, which is responsible for implementing the scheme nationwide.

3.40 With regard to specific query on why the spraying of Nano fertilizers is promoted only through drones and whether it is due to potential harmful effects on humans in case of direct contact, it has been stated that Namo Drone Didi Scheme is administered by the Department of Agriculture & Farmers Welfare (DA&FW). DA&FW has informed that drone usage in agriculture offers multiple advantages, including high field capacity, operational efficiency, reduced turnaround time, minimized wastage of pesticides and fertilizers due to precise atomization, water conservation through ultra-low volume spraying, cost reduction compared to conventional methods, and decreased human exposure to hazardous chemicals. Fertilizer companies have further informed that while Nano fertilizers can be applied through conventional sprayers like knapsack, power, boom, and tractor-mounted sprayers, these methods have drawbacks such as high labor and water requirements, soil compaction, and uneven application. They have also confirmed that Nano fertilizers are non-toxic, biodegradable, and environmentally safe, complying with biosafety-biotoxicity guidelines. Drones have emerged as an efficient and cost-effective alternative for targeted Nano fertilizer application, addressing labor shortages and reducing farmer effort. They require significantly less water (65–200 liters per acre for conventional spraying) and are particularly suitable for waterlogged fields and tall crops like rice, sugarcane, and maize. Additionally, drones enhance farmer safety by reducing risks from hazardous field conditions and wild animals. The Viksit Bharat Sankalp Yatra

highlighted strong farmer interest in adopting this new drone-based spraying technology.

3.41 With regard to specific query on the terms of reference of the study being undertaken to Nano Urea and Nano DAP, it has been stated that a Memorandum of Understanding (MoU) was signed between the National Productivity Council (NPC) of India and the Department of Fertilizers on March 5, 2024, to study the efficacy, utility, and impact of Nano Urea compared to conventional Urea. The study aims to assess usage trends, adoption levels, yield impact, farmers' perceptions, influencing factors, and benefits for various stakeholders while providing recommendations for wider adoption. The National Productivity Council (NPC) has submitted its interim report on Nano Urea, highlighting its advantages over conventional urea. The findings indicate that Nano Urea improves Nitrogen Use Efficiency (NUE), reduces nitrogen loss through volatilization and leaching, and enhances nutrient uptake, leading to higher crop yields. Unlike conventional urea, which is applied in bulk and has lower NUE, Nano Urea offers a controlled nutrient release, minimizing wastage and environmental pollution. It also reduces input costs for farmers by 20-25% while maintaining or improving productivity. Trials suggest that 25-50% of top-dressed urea can be replaced with Nano Urea, resulting in significant fertilizer savings. Yield improvements range from 1.65% to 14.82%, depending on the crop. However, the study confirms that Nano Urea is not a complete substitute for conventional urea, as basal application of conventional urea remains necessary, with a combined approach yielding the best results. Additionally, the ICAR project (2024-2026) on "Effect of Nano Urea and DAP and Popularization of Its Use in Crop Production" is evaluating their impact on crop growth, soil health, and nutrient uptake across agro-ecological zones. This research includes analyzing crop yield, soil parameters, and nutrient efficiency, alongside demonstrations to promote adoption. Findings will be available post-crop cycle and laboratory analysis, with ICAR also conducting a comparative study on the efficiency of nano fertilizers versus conventional Urea and DAP.

3.42 It is also been informed that the MoU was signed between National Productivity Council (NPC) of India and Department of Fertilizers on 5th March, 2024 to undertake the study of Nano Urea on "Evaluating Efficacy, Utility and Impact of Nano Urea in comparison to Conventional Urea.

3.43 The project "Effect of Nano Urea and DAP and Popularization of Its Use in Crop Production," at ICAR from 2024 to 2026, will evaluate the impact of Nano Urea and DAP on crop growth, soil health, and nutrient uptake across various agro-ecological zones in India. The objectives of the study will access the effect of nano urea and DAP on:

i. Crop growth, phenology, and yield
ii. Soil health parameters
iii. Nutrient uptake and quality of the produce
iv. To demonstrate and popularise the use of Nano fertilizers

The results can only be submitted after crop duration and laboratory analysis.

3.44 Further, ICAR has informed that ICAR and several State Agricultural Universities have undertaken research on nano formulations. After preparation of new nano formulation, multi-location and multi crop trials has to be conducted to understand the long-term impact on the soil fertility.

3.45 As per the inputs received from D/o. Agriculture & farmers Welfare (A&FW), Agriculture universities operate under the M/o. A&FW. Government forums relevant to balanced use of fertilizers and Nano Urea, Nano DAP through M/o. A&FW will be further strengthened.

3.46 The Secretary, Department of Fertilizers while responding to the point during the evidence held on 24.02.2025, submitted that:

*"नैनो पर पूरे विश्व में कई सालों से रिसर्च हो रहा था। इंडिया में वर्ष **2021** में इफ्को ने इंडिजिनियस-वे में इंडियन टेक्नोलॉजी के साथ, नैनो साइंस का सर्वोत्तम सोपान है।"*

3.47 With regard to specific query on advertisement in electronic and print media to promote nano products, it has been stated that the promotion of Nano Urea is being actively carried out through various awareness initiatives, including camps, webinars, field demonstrations, Kisan Sammelans, and regional-language films by PSUs, cooperative, and private companies. The Department of Fertilizers (DoF) launched its YouTube channel on October 5, 2021, to promote Integrated Nutrient Management (INM) practices. Additionally, to enhance awareness about schemes like PM-PRANAM, Balanced Fertilizer Use, and Nutrient Management, DoF engaged 52 Community Radios through 20 Fertilizer Companies, broadcasting 6,407 programs since November 23, 2023, on key agricultural themes, including soil health, organic farming, and Nano Urea. Fertilizer companies further promote Nano Fertilizers through news media, advertising via radio, digital, and regional electronic platforms, and social media engagement. IFFCO utilizes platforms like X, Facebook, Instagram, and YouTube for daily updates, user feedback, and video testimonials, ensuring widespread outreach and farmer engagement.

Urea Gold:

3.48 The Department of Fertilizers introduced Sulphur Coated Urea (SCU) i.e. “Urea Gold” after Cabinet’s approval. SCU has better Nitrogen use efficiency as compared to Neem Coated Urea. SCU would ensure reduced water pollution & salt index, avoid soil compaction and improve crop quality & yields. RCF has initiated the production of SCU. Production of SCU by RCF as on 31.07.2024 was 4675 MT.

Nano DAP:

3.49 Government of India notified the specifications of Nano DAP under Fertilizer Control Order, 1985. With the use of Nano DAP as seed treatment and foliar application, there is a possibility of saving of granular DAP conventionally applied. Four (04) Nano DAP units with production capacity of 10.74 crore bottles have been set up. Two (02) more units will be commissioned by 2025. 181.61 lakh bottles of Nano DAP have been produced.

3.50 The Department of Agriculture & Farmers Welfare (DA&FW), through a notification dated March 2, 2023, authorized M/s IFFCO, Coromandel International Limited (CIL), and later Zuari Farm Hub Ltd (notified on November 29, 2023) to manufacture Nano DAP for three years. Preliminary field trials conducted by ICAR on selected crops at its institutes indicated that the use of Nano DAP as seed treatment and foliar application could potentially reduce the requirement for conventional granular DAP. Since the notification, 2.09 crore bottles (500 ml each) of Nano DAP have been sold as of February 28, 2025, equivalent to approximately 10.45 lakh tons of conventional DAP. The total production capacity of Nano DAP currently stands at 7.64 crore bottles per year, with four operational plants and two additional plants expected to be commissioned in the future.

3.51 Over the negative effects noticed in the use of Nano fertilizers, the Department in their post evidence written replies, have stated that as per ICAR, if nano urea or DAP are used without basal application of conventional Urea/DAP or manures, there was reduction in yield in certain crops.

3.52 At present there is no provision for subsidy on Nano Fertilizers by the Department of Fertilizers. No such proposal is under consideration at present.

DIRECT BENEFIT TRANSFER

3.53 Department of fertilizers has implemented DBT in Fertilizers since 1st March 2018 on PAN India basis. The DBT in Fertilizer Subsidy Scheme(s) is a 'in kind' DBT Scheme. The existing DBT system entails 100% payment of subsidy to the Fertilizers manufacturing companies on the basis of actual sales through PoS machines by the retailer to the beneficiary. The buyer's identity is verified through Aadhar based biometric authentication. For sale of fertilizer a buyer can purchase fertilizer on the basis of Aadhaar authentication and as such beneficiary is not defined.

3.54 It has been stated in the written replies for evidence that the approximately 18.7 Cr. Unique buyers/beneficiary have been identified till date. Based on the monthly buyers' data captured in the system, suspiciously large quantity buyers are reported to the respective State/UT Governments at District level for conducting enquiry whether the buyer is genuine or not for taking further action.

3.55 Further elaborating on the subject, the Department submitted that a pre-pilot study visit to two villages of Farrukhabad District (U.P.) was conducted on 30.08.2024 by a joint team of Department of Fertilizers, National Informatics Division (NIC) and Department of Agriculture and Farmer's Welfare (DA&FW) to understand the Fertilizer Purchase Behavior of the Farmers.

3.56 Also, the Department is actively engaged with DA&FW for integrating the Farmer's Registry with the digital platform of DoF. In addition, it has been submitted that DA&FW have communicated to provide the Farmers' data along with their land for any electronic initiative DoF would like to take up for provisioning of fertilizers based on the quantity of land held by the farmers. The details of the land held by the farmers would be provided electronically through APIs (called UFSI) from Farmer Registry to the IT platform (iFMS) of this Department.

3.57 When the Committee wanted to know about the capability of Aadhar authentication to check misuse of subsidized fertilizer products for other purposes, the Department in their post evidence written replies has stated that based on the monthly buyers' data captured in the system, suspiciously large quantity buyers are reported to the respective State/UT Governments at District level for conducting enquiry whether the buyer is genuine or not for taking further action.

3.58 On the steps that can be taken to address the possibility of purchase of subsidized fertilizers by unscrupulous elements through adhaar authentication only to be diverted for black-marketing and other industrial uses, the Department of Fertilizers in their post evidence written replies have intimated that fertilizers are declared as an essential commodity under the Essential Commodities Act, 1955 and notified under Fertilizer Control Order, 1985. State Governments are empowered to take action against persons involved in black-marketing, hoarding and smuggling as per provisions

of EC Act. Any complaint received at Department of Fertilizers level regarding black marketing/over-pricing of fertilizers is sent to concerned State Government to take appropriate action under Essential Commodities Act, 1955 and Fertilizer Control Order, 1985.

3.59 There is a ceiling of 50 Bags per month per buyer to regulate the supply of subsidized fertilizers. Based on the monthly buyer's data captured in the system, suspiciously large numbers of buyers are reported to the respective State/ UT Governments. There is a provision at District level in every State to conduct enquiry on the basis of monthly reports to ascertain whether the buyer is genuine or not. State/UT Governments are empowered to take necessary action against non-genuine buyers under FCO-1985.

3.60 On the ambiguity over the number of beneficiaries under DBT, it has been clarified that the Department does not maintain the data related to farmer population of the country. However, as per the PM-KISAN database of DA&FW, there are approx. 9.8 Crore Farmers across India. In F.Y. 2024-25, total 6.25 Crore Unique Buyers/beneficiaries have made 18.09 Crore transactions till 18.02.2025, i.e. approximately 9 Crore transactions per season (Rabi & Kharif). Therefore, these figures of unique buyers/beneficiaries may not necessarily correspond to the number of Farmers benefitted under Kisan Samman Nidhi. The difference in number of Farmers vis-à-vis average number of PoS based sale transactions, is due to various socio-economic factors such as pooling of fertilizers purchase among Farmers to avoid transportation and logistical cost.

3.61 As for the incorporation of occupation of farmers/cultivators in Aadhaar, the Department have communicated that there are standard fields in Aadhaar card, it does not contain occupation field. However, comments of UIDAI are being sought on this matter.

CHAPTER – IV

PERFORMANCE OF PSUs AND THEIR IMPORTANCE

FINANCIAL PERFORMANCE OF PSUs

4.1 A major decrease in the financial performance of the under-mentioned PSUs has been observed of which National Fertilizers Limited has been granted “Navratna” status on 18.04.2024 and Rashtriya Chemicals and Fertilizers Ltd being the first PSU in the fertilizer sector to be elevated to “Navratna” category.

(Rupees in Crore)

1. National Fertilizers Limited (NFL):			
Item	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Revenue from Operations	15857.09	29616.52	23560.31
Profit Before Tax	144.82	609.77	88.52
Profit After Tax	108.20	456.10	64.74
2. RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED (RCF):			
Parameter	**FY 2021-22**	**2022-23**	**2023-24**
Total Income	12812.17	21,451.54	16, 981.31
Profit Before Tax	943.91	1273.98	303.63
Profit After Tax	704.36	967.15	227.74
3. THE FERTILIZERS AND CHEMICALS TRAVANCORE LIMITED (FACT)			
Parameter	**FY 2021-22**	**2022-23**	**2023-24**
Turnover	4424.81	6198.15	5054.93
Profit Before Tax	346.38	612.83	43.5
Profit After Tax	346.38	612.83	146.17
4. MADRAS FERTILIZERS LIMITED (MFL)			
Parameter	**FY 2021-22**	**2022-23**	**2023-24**
Turnover	2302.16	3447.09	2228.42
Profit Before Tax	166.34	248.66	11.86
Profit After Tax	162.37	185.33	5.56
5. BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED (BVFCL)			
Parameter	**FY 2021-22**	**2022-23**	**2023-24**
Turnover	309.82	1146.49	748.96
Profit Before Tax	(95.11)	24.38	8.71
Profit After Tax	(97.64)	24.38	8.71

6. FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED (FAGMIL)			
Parameter	**FY 2021-22**	**2022-23**	**2023-24**
Turnover	41.44	56.04	30.48
Profit Before Tax	15.57	13.46	15.37
Profit After Tax	11.59	9.74	11.17

4.2 With regard to the roadmap for reducing loan liabilities of Fertilizer PSUs, the department has stated as under:

"A. Madras Fertilizers Limited (MFL)

- **Loan Repayment Status:** All loans from Financial Institutions repaid.
- **Current Loans:**
- **Working Capital Loan (from bankers)** – used as needed for daily operations.
- **Government of India Loan** – for capital expenditure.
- **Outstanding Loan:** ₹554.24 Cr.
- **Outstanding Interest:** ₹932.06 Cr. (as of 31.12.2024).
- **Financial Turnaround:** Profitable since 2020-21.
- **Next Steps:** MFL to submit a revised proposal considering improved financial conditions.

B. Brahmaputra Valley Fertilizer Corporation Limited (BVFCL)

- **Loan Status:** No loans from Banks/Financial Institutions.
- **Government of India Loan:**
- Availed between 2002-03 and 2011-12 for modernization and revamp of two older plants.

  Current Interest-Free Loan: ₹572.75 Cr. (after restructuring).
- **Challenges:**
- Closure of Namrup-II plant has impacted revenue generation.
- Unable to generate operating profits.
- Struggles to cover repairs and maintenance expenses.
- **Government Support:** ₹100 Cr. as grants-in-aid for sustained production and plant operations.

C. The Fertilizers and Chemicals Travancore Limited (FACT)

- **Loan Status:** Received Government of India loan (2005-2016) for revival at 13.5% interest rate.
- **Financial Burden:**
- **Annual Interest Charge:** ₹240 Cr. recorded in Profit & Loss account.
- **Loan Accumulation:** Due to non-servicing, interest has exceeded the principal.
- **Total Loan (as of 31.03.2024):** ₹1770.48 Cr. (Principal) + ₹1673.11 Cr. (Interest) = ₹3443.59 Cr.
- **Financial Restructuring Request:** FACT submitted a proposal to the Government of India for:

  a. Conversion of ₹282.73 Cr. loan (2005-2011) into equity.

  b. Conversion of ₹1000 Cr. loan into an interest-free loan, repayable in 10 yearly instalments from FY 2022-23.

  c. Write-off of accumulated interest on the loan as of the approval date.
- **Current Status:** Proposal not approved by the Department of Expenditure.

D. Hindustan Urvarak & Rasayan Limited (HURL)

- **Outstanding Loan Liability:** ₹874.67 Cr. (as of 31.03.2024).
- **Company Status:** A Joint Venture, not classified as a CPSE as per DPE guidelines.

4.3 The Department of Fertilizers, in response to query on upgrading old Fertilizer PSUs with modern technology to enhance production and competitiveness, stated that the Government of India mandated the revival of fertilizer units at Ramagundam (Telangana), Gorakhpur (Uttar Pradesh), Sindri (Jharkhand), Talcher (Odisha), and Barauni (Bihar) through Joint Venture company of nominated PSUs. Each unit has a 12.7 LMTPA ammonia-urea plant, adding a total of 63.5 LMTPA to domestic production after the Talcher unit becomes operational (which is under execution stage). Additionally, a new 12.7 LMTPA fertilizer plant is proposed at Namrup, Assam. PSUs like NFL and RCF, were granted *Navratna* status, which interalia provides greater flexibility in adopting new technologies. RCF (Thal) and FACT (Kochi) plan to set up

DAP/NPK plants with annual capacities of 5 LMT and 5.5 LMT, respectively. NFL (Nangal) is implementing a Hi-Tech Nano Urea project, while RCF is also planning Nano Urea and Nano DAP projects to enhance fertilizer efficiency for farmers.

4.4. The Department of Fertilizers, in response to a query on the financial challenges faced by fertilizer PSUs in expanding their plants, stated that these challenges vary across companies. A major hurdle is the inadequacy of financial resources to support expansion projects, which require significant capital investment. Securing loans from banks and financial institutions for capital expenditure is often difficult, as fertilizer plants are highly capital-intensive with restricted margins and long payback periods. Additionally, low internal accruals make debt servicing during the construction phase challenging. Fertilizer PSUs also struggle to generate cash profits due to volatile international markets and intense competition in the agri-input sector. In the absence of sufficient cash profits, these PSUs frequently rely on borrowings for expansion, but banks are often reluctant to provide capital expenditure loans at competitive interest rates.

PART-II

OBSERVATIONS AND RECOMMENDATIONS

Fertilizer Planning and vision ahead

1. The Committee observe that the Government though facilitates Indian fertilizer companies to sign agreements, Memorandum of Understanding (MoU) and establish joint ventures with fertilizer companies in resource rich countries to ensure sufficiency of raw materials/intermediates/finished fertilizers, no efforts have been made towards entering into mining lease agreements with raw material resource rich for either extraction, exploration or for refining or for production and India is yet to sign such an agreement till date. The Department of Fertilizers is currently facilitating discussions for MoU between and Indian Fertilizer PSU (M/s FACT) and a Togolese fertilizer company (M/s SNPT) as well as discussions between M/s Rastriya Chemical & Fertilizers Ltd (RFCL) and M/s Atlantic Mineral SARL, Mauritania for supply of Rock Phosphate. The Committee, desire that planned time-lines may be drawn for materialization of the discussions underway for MoUs with the two foreign companies for supply of required raw materials and explore all available options to facilitate other Indian fertilizer companies to sign agreements, Memorandum of Understanding (MoU), establish joint ventures with fertilizer companies in resource rich countries to ensure sufficiency of raw materials/intermediates/finished fertilizers besides exploring options of entering into mining lease agreements with resource rich countries to spruce up the domestic needs and emerge a major producer in the field of fertilizers.

2. The Committee observe that out of the seven mining leases of Rock Phosphate only six are presently working in the Country, in which mining is being done through the conventional open cast method used for comparatively shallow mining. It is intriguing that Country lacks cutting edge drilling and solution mining technology and skilled manpower for drilling and exploration for long, and import dependence nothing has been done to address this area

except for bringing a policy incorporating phosphate, potash and Glauconite (Potassic mineral) under "The Mines & Minerals (Development and Regulation) Amendment (MMDR) Act, 2023". Despite all these factors, concerted efforts are not being made to either explore new locations for exploration within the Country or upgrade technology, equipment and train manpower to exploration, mining and use of by-products of other industries in place of fertilizers. Without introducing physical measures, and pumping in Government, Public and Private investment, the goal of achieving self-sufficiency in the field of fertilizers is difficult to achieve. The Committee, therefore, recommend that escalated efforts are made in the field of attaining technological advancements, producing skilled manpower and exploring new mining locations for extraction of essential ingredients required in fertilizer production through Government, Public and Private investment besides exploring use of steel slag, waste from power plants and by-products of other industries in place of fertilizers for meeting agricultural needs of the Country.

3. The Committee understand that the position of preferential allotment of mineral mines in favour of fertilizer PSUs for exploration of raw materials required within the Country has changed after the recent notification of the Ministry of Mines incorporating phosphatic and potassic minerals in the list of "Critical and Strategic Minerals" opening them for auction to maximize revenue for the State. As such, the fertilizer companies are left to participate in the auction process to acquire any new mines. The Committee feel that since the Fertilizer PSUs play a major role in the production of fertilizers for the Country, they may be given preference in allotment of mineral mines as they hold the infrastructure and the expertise for serving the sector for more than half the century. The Committee, desire that the Department of Fertilizers should accordingly impress upon the Ministry of Mines to consider giving preference to fertilizer PSUs besides guiding Fertilizer PSUs to actively participate in auction of mines.

4. The Committee observe that coal gasification-based fertilizer plants use coal as the primary feedstock, where coal is gasified to produce synthesis gas (syngas) containing hydrogen and carbon monoxide, utilizing hydrogen for ammonia production whereas natural gas-based plants use methane as feedstock, converting it into hydrogen through steam methane reforming (SMR) for ammonia synthesis. Though coal-based plants are less energy-efficient with higher capital cost as compared to natural gas-based based plants, they have lower operating costs due to the stable and lower price of coal, making them competitive. Conversely, natural gas-based plants have lower capital costs but higher operating expenses due to the volatile and higher cost of natural gas. Furthermore, the efficiency of coal increases on gasification and proven all over the world with US, China and Australia leading in a big way. The Committee feels that coal gasification accepted world over offers a strategic solution towards achieving self-sufficiency in view of the huge coal reserves within the Country and removing import dependence on natural gas. The Committee, therefore, recommend that coal-gasification may be promoted in a big way so as to fully exploit the domestically available coal-reserves and the government policies may be accordingly tweaked in a manner to suit the coal-gasification plants.

<u>Examination of Demands for Grants No. 6</u>

5. The Committee note that the Department of Fertilizers (DoF) had projected an outlay of Rs. 1,84,704.63 crore for its various schemes and other requirements during the year 2025-26. However, this outlay has been reduced by 7.38% to Rs. 1,71,082.44 crore by the Ministry of Finance(MoF). The reduction has been made in both Nutrient Based Subsidy (NBS) Scheme and Urea Subsidy Scheme of the Department. On further scrutiny, it has been found that the BE allocation for Major Head 2401 Nutrient Based Subsidy Policy which includes payments for both indigenous and imported P&K Fertilizers has been reduced by Rs. 6665 Crore which is 11.97 % less than the projected requirement. For Major Head 2852 Urea Subsidy (MH 2852-Industries) which include payment for

both indigenous and imported urea, MDA subsidy, R&D for MDA, DBT in Fertilizer Subsidy and subsidy support to Indian Shipping Companies the BE allocation has been reduced by Rs. 6954.06 Crore which is 5.4% less than the projected requirement. On the reduction in allocation the Department has contended that the budget proposals are sent to M/o Finance in September-October of every year are just an estimate of the expenditure to be incurred on Fertilizer subsidy, which is estimated on factors like previous year's consumption, rate of gas and other commodities etc. The actual requirement of funds is assessed based on the actual consumption and rates of commodities and accordingly additional funds are sought from M/o Finance during the FY, as and when required. Further, the funds provided by M/o Finance at BE stage are increased by them at RE stage and by the means of supplementary as per the requirement of the D/o Fertilizers. The Committee are however, dismayed to note 9.64% reduction in the allocation at BE stage for 2025-26 from the proposed budget despite the fact that the Department of Fertilizers has utilized 94%of the funds against RE 2024-25 and contended to likely utilize the remaining funds during remaining period. It is definite that curtailment of allocation will impact the smooth execution of the different subsidy schemes, the Committee, therefore, stress that the Department seeks stepping of the funds at RE stage so that the subsidy schemes meant for the farmers for their agricultural requirements do not suffer.

<u>Under-utlilization of funds / Targets and Achievements</u>

6. On scrutiny of utilization of funds under different components of the schemes, underutilization to tune of 20% under Indigenous PK, 12% under Imported PK, 14.76% under indigenous Urea and 59.57% under Market Development Assistance (MDA) has been observed during 2024-25, as on date. As for targets and shortfall their achievement, it has been observed that under Urea against the target of 239.49 LMT only 232 LMT has been achieved during the year 2024-25 with a shortfall 3.13% and under P&K against the target of

210.79 LMT only 159.62 LMT has been achieved with a shortfall 24.28%. It has been observed that production target under Urea is likely to be achieved whereas target under P&K may not be achieved. The low production of urea has been attributed to technical/operational issues and (ii) due to selling out of Nagarjuna Fertilizers and Chemicals Limited leading to non-supply of Urea and shortfall in of P&K production has been attributed to price volatility and geopolitical constraints besides Companies being free to import /produce fertilizer raw materials, intermediaries and finished fertilizers as per their market dynamics under Open General License (OGL). The Committee, therefore, desire that the Department should make all efforts in utilizing the full allocations under the various heads in a planned manner and see that the targets laid are duly achieved in all circumstances. In order to achieve their targets under the NBS, the Committee impress upon the Department to accordingly tweak the NBS policy to address the constraints mentioned.

<u>Re-appropriation/Surrender of Funds</u>

7. The Committee observe re-appropriation to the tune of Rs. 666.50 crore under Urea Subsidy Scheme attributed to lesser imports than the anticipated requirement at BE stage, Rs. 55 Crore under Market Development Assistance (MDA) for the reason of lesser number of claims at BE stage and Rs .96 Crore under the Secretariat Expenditure due to vacancies in Gazetted and Non-gazetted posts in the Department specifically need further scrutiny. Re-appropriation under Urea Subsidy to the tune of Rs. 666.50 crore because of lesser imports at BE and recoveries of Rs. 3980 crore in BE 2024-25 along with recoveries of Rs. 2980 Crore during 2025-26 for higher imports in anticipation is disturbing. The Committee observe apparent gaps in inputs, assessments and demand for imports *vis-à-vis* indigenous production. The Committee, therefore, recommend that the strategy for assessing the requirements in combination with production targets and imports may be tweaked to avoid such recurrences. The Committee also desire that the Ministry should impress upon the Department of Personnel and Training for filling up of the Gazetted and Non-

Gazetted vacancies in the Department of Fertilizers for their seamless functioning, at the earliest.

Revision in Grades of NPKS fertilizers

8. The Committee are happy to note that NBS policy formulated to meet the objective of promoting balance use of fertilizers, the Department of Fertilizers has helped in improving productivity in the farm land and multi-nutrient deficiency of the soil resulting increase in major crop yield per hectare from 1930 Kg/hectare in 2010-11 to 2233 Kg/hectare in 2017-18, an increase of 16% over a period of 7 years. This significantly proves that the NPKS fertilizers have been able to address the multi-deficiency of soil of various regions. The revision of grades of NPKS is done on the basis of appraisal of need by the Indian Council for Agricultural Research (ICAR), the DA&FW decides the inclusion/revision of grades of NPKS fertilizers in FCO. As a result, the number of grades under NBS has increased from 22 grades in 2021 to 28 grades at present. 06 new grades added are NPK 08-21-21, NPK 09-24-24, Potash Derived from Molasses(PDM) (0-0-14.5-0), NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur, Urea-SSP Complex 5-15-0-10 and SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron. The issue of low effectiveness of the grade of NPKS provided to the Southern States of India and West Bengal requiring immediate intervention, cropped up in the discussions during the Study Visit of the Committee in January 2025 putting additional supplements burden on the farmers for crop yield. Against the requirement of NPK 10:26:26, other NPKS fertilizers are being provided to the Farmers of West Bengal. The Committee, therefore, recommend that the Department of Fertilizers impress upon ICAR to assess the grade of NPKS requirement of these regions and recommend the required grade of fertilizers to the Department of Agriculture and Farmers Welfare, to address the soil deficiency concerns there.

Ensuring Balanced Fertilizer Supply and Sustainable Soil Health

9. The Committee during interaction with farmers of West Bengal during the study visit in January 2025, observed a significant and alarming shortfall in the supply of NPK 10:26:26, a fertilizer crucial for potato cultivation in the state. As the second-largest potato producer in India, with 4.96 lakh hectares under cultivation and an estimated production of 127 lakh MT in 2023-24, West Bengal has a critical demand for NPK 10:26:26 due to its suitability for the region's acidic soils. However, despite an approved requirement of 4.50 Lakh MT in 2023-24, only 2.27 Lakh MT was supplied. The situation has worsened in 2024-25, with only 1.33 Lakh MT provided till December 2024 against an approved requirement of 5.05 Lakh MT. This persistent shortage has forced farmers to substitute NPK 10:26:26 with other NP grades, leading to a sharp rise in cultivation costs. The cost per bigha has escalated from ₹2,530 (using NPK 10:26:26) to as high as ₹3,400 (using NP 20:20:0:13) or ₹3,348 (using NPK 16:16:16). This increased financial burden is directly impacting farmer profitability and the overall agricultural economy of the region. Additionally, the Committee noted that certain companies routinely fail to supply their allocated quantity of NPK 10:26:26 during the peak season, causing severe market disruptions and hampering farmer access. To address this issue, the Committee strongly recommends that the Department of Fertilizers enforce strict compliance mechanisms to ensure companies fulfill their allocated supply commitments, well in advance, particularly during the peak season to enable timely supply to the Farmers. Companies failing to meet their obligations should face appropriate penalties, while those ensuring timely supply should be incentivized. Furthermore, to reduce dependency on specific fertilizer grades, the Department should actively support research and development in region-specific soil nutrition management and promote the use of bio-fertilizers and customized fertilizers tailored to States' agro-climatic conditions. It is also imperative that the Department ensures equitable and timely distribution of fertilizers by implementing a robust monitoring system to track supply and address any disruptions or delays promptly besides addressing the issue of in-

sufficient availability of Rake Points all over the Country. Given that West Bengal has two functional ports, efforts should also be made to leverage these facilities for improved fertilizer import and distribution, thereby reducing logistical delays and costs. The Committee further stresses that the Department of Fertilizers must prioritize the supply of fertilizers based on the specific soil requirements of each state and the cropping patterns, rather than continuing with the traditional approach that has led to an over-reliance on urea. The excessive use of nitrogen due to the overuse of urea has resulted in the consistent decline of the ideal NPK ratio of 4:2:1, leading to soil degradation and reduced long-term agricultural productivity. A more balanced approach to fertilizer distribution, aligned with scientific soil testing and regional crop needs, is essential to restore soil health and ensure sustainable agricultural practices. The Committee strongly recommend that the Department of Fertilizers to take immediate action on these aspects to safeguard farmer interests, stabilize fertilizer availability, and support sustainable agricultural growth across the country.

<u>Strengthening Fertilizer Security</u>

10. The recent shortfall in supply of P&K fertilizers, particularly Di-Ammonium Phosphate (DAP), has exposed critical weaknesses in India's fertilizer supply chain. During examination of Demands for Grants, the Department stated that the crisis was aggravated by geopolitical disruptions, price volatility, and the reluctance of private players to import DAP when international prices surged. This led to an extreme shortage, causing severe distress in the agricultural sector. Despite widespread reports in newspapers and evident ground realities, the Department of Fertilizers did not acknowledge the severity of the situation. The government's eventual response—a special package of ₹3,500 per MT beyond NBS rates, initially applicable from 01.04.2024 to 31.12.2024 and later extended to 31.03.2025—was a delayed measure. By the time it was implemented, the entire country was already reeling under the crisis, and farmers were struggling without access to essential fertilizers. This

response appeared more like post-operative dressing rather than a proactive policy intervention. To prevent such crises in the future, The Committee strongly recommends that the government must explore establishment of a Fertilizer Crisis Early Warning System (FCEWS) or a similar mechanism which would act as think-tank to predict shortages and take preemptive action. The Committee also recommends that strategic reserves of essential fertilizers should be maintained to ensure supply continuity. Additionally, the Nutrient-Based Subsidy (NBS) framework must be revised to include real-time market-linked adjustments, ensuring that subsidies automatically adjust (increase/decrease) to the fluctuations of the international prices crossing a certain threshold. Private players should be mandated to import a minimum quantity of NPK/DAP based on projected demand, with penalties for non-compliance, to prevent hoarding or reluctance to import during price surges. Furthermore, The Committee are of the opinion that the Government must prioritize domestic fertilizer production by encouraging the establishment of Phosphatic Fertilizer Plants through incentives and public-private partnerships, reducing India's dependence on imports.

Continuation of Urea Subsidy Scheme

11. The Committee are aware that the Cabinet has approved continuation of NBS scheme till 31.03.2026 or till further review based on appraisal by Expenditure Finance Committee(EFC) on one hand whereas the continuation of the existing Urea Subsidy Scheme 01.04.2025 to 31.03.2026 is pending with the Department of Expenditure for taking up the appraisal of the EFC. Keeping in view the importance of urea in food-grain production of the Country, it is necessary that the Urea Subsidy Scheme continued further. The Committee, therefore, desire that the appraisal of the EFC may be expedited for placing the Scheme for final decision of the Cabinet on extension beyond 31st March, 2025.

Direct Benefit Transfer

12. The Committee finds it concerning that buyer identification under the Direct Benefit Transfer (DBT) in Fertilizer Subsidy Scheme is established only

through Aadhaar authentication on a 'no denial basis,' without a well-defined mechanism to ascertain the actual beneficiary. As a result, subsidized fertilizers, particularly urea, are susceptible to diversion for stocking, black-marketing, and use in industrial sectors such as resin/adhesives, plastics/foams, textiles/leather, and paper/pulp industries. It is apparent that different syndicates might be functional in this field to benefit from the shortcomings of the DBT system in place allowing purchase of subsidized fertilizers in connivance of implementing agencies creating shortages and black-marketing. The current provision, which allows each beneficiary to purchase up to 50 bags per month, further exacerbates this issue, contributing to demand-supply gaps and increasing the subsidy burden on the exchequer. The Committee observe that the Integrated Fertilizer Management System (iFMS) Portal has identified approximately 18.7 crore unique buyers identified till date under the DBT system and 6.25 crore buyers have availed the fertilizer subsidy till January, 2025 which contradicts the farmer population when compared with the PM-KISAN database of Department of Agriculture & Farmers Welfare(DA&FW), which records 9.8 crore farmers, highlighting the need for further scrutiny of genuine beneficiaries. The Committee, therefore, appreciates the initiative to explore the use of the PM-KISAN database and integration of the Farmers' Registry with the digital platform of Department of Fertilizers and desire that all necessary measures shall be taken for early integration of the iFMS platform with the Farmers' Registry incorporating landholding, cropping patterns, and soil health data besides broadening the Direct Cash Transfer Scheme to select districts of different regions to correctly understand the fertilizer purchase behaviors of the farmers for a comprehensive understanding of the constraints in the DBT. In light of these concerns, the Committee strongly recommends expediting the integration of Aadhaar authentication with a comprehensive Farmer's Registry to ensure better targeting of fertilizer subsidies and prevent unauthorized buyers from exploiting the system. Furthermore, necessary modifications should be made to the DBT system to ensure that benefits percolate directly to both landowners and landless farmers who cultivate leased land.

Strengthening Fraud Detection and Capping Fertilizer Purchases to Prevent Diversion

13. The committee are aware that a ceiling of 50 bags per month per buyer has been imposed to regulate subsidized fertilizer distribution. The Committee have been informed that the Department is in discussions with DA&FW to link farmer landholding data via APIs (UFSI) to the iFMS platform, which would facilitate customized purchase limits. However, the Committee is of the view that pooling of fertilizer purchases among farmers is common. The Committee therefore recommends that the Department should introduce a dynamic purchase cap based on landholding size (once integrated with Farmer's Registry) rather than a blanket limit. This will ensure that genuine farmers are not disadvantaged while preventing excessive accumulation by non-genuine buyers. Additionally, the existing system detects suspicious buyers based on sales data but does not specify how irregularities are investigated or resolved. Also, the Department currently relies on monthly data reports, which may delay action against fraudulent transactions. As such, the Committee recommends that the Department may explore the possibility of implementing AI-based predictive analytics in the iFMS to flag unusual purchase patterns in real time, allowing immediate intervention. This will enhance the efficiency of detecting and preventing subsidy misuse.

Market Development Assistance(MDA) and Research & Development under MDA

14. The Scheme Market Development Assistance (MDA) @ Rs. 1500/MT to promote organic fertilizers, viz., FOM/LFOM/PROM produced at plants under GOBARdhan initiative covering different Biogas/CBG support schemes/programmes of different stakeholder Ministries/Departments i.e., (i) Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of Ministry of Petroleum & Natural Gas (MoPNG); (ii) 'Waste to Energy' programme of Ministry of New & Renewable Energy (MNRE); (iii) Swachh Bharat Mission (Rural) of the Department of Drinking Water & Sanitation (DDWS) has been

introduced with total outlay of Rs. 1451.84 Crore for FY 2023-24 to 2025-26 which includes a corpus of Rs. 360 Crore for research gap funding. The under-performance in the scheme has been attributed to delay in incorporation of the Scheme under the Public Financial Management System(PFMS) for administrative reasons at the end of FY 2023-24. The Department have admitted to the possibility of fully utilizing the funds in the event of receipt of claims from the registered companies. It has further been pointed out that the Department of Fertilizers is continuously working towards promotion of organic fertilizers by enhancing the ease of doing business of CBG/BG plants. Numerous meetings have been organized with all stakeholders to explore ways to increase participation of CBG/BG plants. It is expected that in the coming year more funds will be utilized. The Committee, are of the view that the scheme launched with the corpus of 1451.84 crores including funds for research has been under-utilised for various reasons and the Ministry of Finance accordingly curtailed the budget provisions during the years. A very less expenditure has been incurred on the scheme as a whole till date with only one more year i.e. 2025-26 available to accomplish the goal. The Committee, therefore, desire that the Department should strength their coordination mechanism among the various stake holders and arrive at time-lines to achieve targets during the year besides avoiding March rush by scattering the expenditure on proposals throughout the year with fixing a 60% slab for the total targets to be achieved by the end of six months during a financial year so that the remained 40% of target to be achieved can be easily planned in the remaining period of that year. The Department should instead of waiting for the bills for re-imbursement from the Companies should adopt the policy of obtaining them through the departmental intervention.

<u>Nano Fertilizers</u>

15. The Committee are pleased to note that increase in the crop yield on combination Nano Urea for foliar application with conventional urea as basal dose by 1.65% to 14.82%, with the highest yield improvement observed in peas (6.14% to 14.82%) and the lowest in sugarcane (1.65% to 4%). It is good to learn that the Government of India has notified the specifications of Nano nitrogen

under the Fertilizer Control Order, 1985. Nano Urea produced by IFFCO (4% Nitrogen), Zuari Farm Hub Limited (8% Nitrogen), Coromandel International Limited (12% Nitrogen), and Ray Nano & Research Centre (4.4% Nitrogen) have been approved by the Department of Agriculture & Farmers Welfare (DA&FW). Recently, Nano Urea Plus produced by IFFCO, containing 16% Nitrogen, has also been notified by the DA&FW. Further, on commencement of commercial production by M/s Rashtriya Chemicals & Fertilizers Limited (RCF), Trombay Plant and M/s National Fertilizer Limited, Nangal, Punjab plant will increase the production capacity beyond 27.62 crore bottles (500ml each). The farmers can benefit with increased crop yield on adoption of combined application of Nano Urea with conventional Urea. On the other hand, the total production capacity of Nano DAP of 7.64 crore bottles per year, with four operational plants is expected to increase with additional commissioning of two more plants in the future. Field trials on Nano DAP have revealed that its use for seed treatment and foliar application could potentially reduce the requirement for conventional granular DAP. The Committee, therefore, recommend that the Department of Fertilizers should expand Nano Urea and Nano DAP production capacities by ensuring timely establishment of the units envisaged in future. The Committee further desire that an SOP on the knowledge about the use of the nano urea products with different nitrogen concentrations and use of nano DAP along with the application strategy of both the fertilizers may be widely percolated among farmers through pamphlets and the electronic and print media as also through Kisan Vikas Kendra (KVK).

<u>Expand Research on Long-Term Impact of Nano Fertilizers</u>

16. The Committee observed that the ICAR study (2024-2026) on "Effect of Nano Urea and DAP and Popularization of Its Use in Crop Production" is assessing Crop growth, phenology, and yield; Soil health parameters; Nutrient uptake and quality of produce. The Committee recommends that the Department should consider funding additional multi-location and multi-crop trials to study the long-term impact on soil fertility and ecosystem sustainability. The Committee is of the view that there is a greater need for monitoring, adoption

besides addressing farmer concerns to simplify the methods of Nano Urea/ Nano DAP usage. The Committee, therefore, recommends that the Department should conduct regular surveys in collaboration with State Agricultural Universities and KVKs to collect farmer feedback on Nano Urea's performance. Concerns regarding cost-effectiveness, application methods, and long-term sustainability should be systematically addressed through policy interventions.

Scale Up Drone-Based Spraying Technology

17. Regarding the distribution of drones to villages, the Committee noted that the Namo Drone Didi Scheme, administered by the Department of Agriculture & Farmers Welfare (DA&FW), is a Central Sector Scheme aiming provision of 15,000 drones to Women Self-Help Groups (SHGs) over three years (2023-24 to 2025-26). The objective is to create sustainable business and livelihood opportunities in rural areas. Under this initiative, the Department of Fertilizers, through fertilizer companies, has facilitated the distribution of 1,094 drones to Namo Drone Didis, including 500 drones as part of a pilot program. However, the overall assessment of drone availability in villages falls under the purview of the DA&FW, which is responsible for nationwide implementation. Given the significant benefits of drone technology in agriculture—such as precision farming, reduced water consumption (from 65-200 liters per acre to ultra-low volumes), and lower labor costs, drone-based farming needs to be introduced in the 6,40,000 villages across the Country requiring a large number of drones for coverage. However, the Committee observed that the implementation at the grassroots level remains significantly behind the target. To bridge this gap, the Committee recommends that the Department of Fertilizers, the Department of Agriculture & Farmers Welfare, and the Ministry of Civil Aviation should work collaboratively to assess the demand and ensure the expedited deployment of drones to villages. Additionally, the Department of Fertilizers should coordinate with DA&FW to ensure the widespread availability and training for drone-assisted Nano Urea application, enabling farmers to maximize the benefits of this technology.

Focus on Revival and Modernization of Fertilizer Plants:

18. The Committee examined the loan liabilities of fertilizer PSUs and found significant financial distress. MFL owes ₹1,486.3 crore, FACT ₹3,443.59 crore, and BVFCL ₹572.75 crore in government loans. Ageing plants and high-interest burdens on these PSUs risk debt traps. The Committee recommends financial restructuring, including loan-to-equity conversion, interest write-offs, and installment-based repayment plans. Additionally, the Government should explore subsidized credit access and a working capital guarantee scheme to ease financial strain on these PSUs. Given the outdated infrastructure, reassessment of PSU assets, particularly land holdings, is crucial. The Committee desires that the Government should make escalated efforts so that these PSUs remain financially viable to ensure fertilizer sufficiency.

19. The Committee observe that with a view to Strengthening Revenue Generation & Competitiveness, it is necessary that Department of Fertilizers explore the feasibility of diversification of PSUs into specialty fertilizers i.e., Nano Urea, Nano DAP, other similar products and bio-fertilizers, organic fertilizers to reduce dependency on urea and traditional fertilizers thereby reducing the subsidy burden on the exchequer. The PSUs may also identify potential international markets and the Department should incentivize PSUs to enhance exports, reducing reliance on domestic subsidies. As part of Backward Integration Initiative, the Department should encourage PSUs to invest in raw material sourcing (e.g., phosphoric acid, potash) to reduce import dependency and mitigate international price volatility. The Department should also expedite the implementation of Nano Urea and Nano DAP projects by NFL and RCF to improve fertilizer efficiency and reduce costs.

20. The Committee observed that despite the presence of a Government nominated Director at the board level of Fertilizer PSUs, their financial condition has continued to deteriorate over time. This underscores the need for a more robust monitoring framework. In view of the financial status of these PSUs under the Department, the Committee recommends for establishment of an independent financial monitoring mechanism in the form of a "Fertilizer PSU

Monitoring Authority" to systematically track their financial health and implement early intervention strategies. Additionally, the Committee emphasizes the need to strengthen Performance-Linked Incentives to enhance profitability and operational efficiency.

New Delhi;
18 March, 2025
27 Phalguna, 1946 (Saka)

Azad Kirti Jha
Chairperson,
Standing Committee on
Chemicals and Fertilizers.

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2024-25)

Minutes of the Eleventh Sitting of the Committee

The Committee sat on Monday, the 24th February, 2025 from 1100 hrs. to 1400 hrs. in Committee Room '1', Parliament House Annexe Extension, New Delhi.

PRESENT

Shri Azad Kirti Jha – Chairperson

MEMBERS

LOK SABHA

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Shri Malvinder Singh Kang
7. Shri Babu Singh Kushwaha
8. Shri Sachithanantham R.
9. Shri Eatala Rajender
10. Shri Rajesh Ranjan
11. Shri Daggumalla Prasada Rao
12. Shri Shivmangal Singh Tomar

RAJYA SABHA

13. Shri Subhash Barala
14. Shri Subhash Chandra Bose Pilli
15. Shri Meda Raghunadha Reddy
16. Dr. Kalpana Saini
17. Shri Akhilesh Prasad Singh
18. Shri Tejveer Singh

SECRETARIAT

4. Smt. Suman Arora - Joint Secretary
5. Ms. Miranda Ingudam - Director
6. Shri Nagendra Suman - Deputy Secretary

LIST OF WITNESSES

I. MINISTRY OF CHEMICALS & FERTILIZERS (DEPARTMENT OF FERTILIZERS)

1.	Shri Rajat Kumar Mishra	-	Secretary (Fert.)
2.	Ms. Aneeta C Meshram,	-	Additional Secretary
3.	Shri Bharat Bhushan	-	Senior Economic Advisor
4.	Shri Manoj Sethi	-	Joint Secretary & FA
5.	Dr. Tina Soni	-	Joint Secretary
6.	Dr. Prathibha A.	-	Eco. Advisor
7.	Shri Anil Phulwari	-	Director
8.	Dr. Laboni Das Dutta	-	Director
9.	Shri Ujjwal Kumar	-	Director
10.	Shri Abhay Sharma	-	Director

2. At the outset, the Chairperson welcomed the representatives of the Department of Fertilizers, Ministry of Chemicals and Fertilizers to the sitting of the Committee convened to take oral evidence of the Department on 'Demands for Grants 2024-25'. Their attention was drawn to Direction 55(I) of the 'Directions by the Speaker' regarding confidentiality of the proceedings. The Chairperson, thereafter sought the reasons behind 7.4 % reduction in the budgetary allocation from the requirement proposed and the roadmap for seamless execution of the Schemes especially in view of the present resource crunch. The Chairperson further, sought response on the various aspects viz., the strategy in hand to ensure continuation of Urea subsidy beyond 31 March, 2025 and the targeted initiatives under research and development to foster innovation and research within the fertilizer sector apart from seeking clarity on the idea for provision of Rs. 24600 crore for the Oil Industry Development Fund(OIDF), bringing the net budgetary allocation to Rs. 1,56,502.44 crore. Inputs on important issues related to efficacy of the DBT Scheme in ensuring authenticity of the beneficiary and restricting diversion of fertilizers in the black-market, requirement of drones in the Country, status of Namo Drone Didi Scheme towards provision drones to Self Help Groups during 2023-24, 2024-25, 2025-26 with clarity on the administrative Ministry, prioritizing fertilizer distribution to the same State in which the manufacturing Unit is located, exploring other energy resources to remove import dependence on natural gas, revision of the existing grades of NPKS fertilizers as per

soil requirements in the different regions of the Country, popularize Nano fertilizers and subsidize them apart from seeking exclusive meetings with the Department of Fertilizers especially on Nano fertilizers.

3. The Secretary, Department of Fertilizers then briefed the Committee on the Demands for Grants for the year 2025-26 and the targets ahead, the factors behind placing budget estimates requirement and allocation by the Ministry of Finance and the targets achieved during the previous year. The Committee, thereafter, sought clarifications on certain issues related to the fertilizer sector viz., some of which were responded to by the representatives of the Department besides sharing data on crop yield from the National Productivity Council Report.

4. The Chairperson on conclusion thanked the witnesses for appearing before the Committee as well as for furnishing valuable information and asked them to furnish written replies to the points raised by the Members that remained unanswered, within 2-3 days' time.

6. A copy of the verbatim record of the proceedings of the Sitting has been kept.

(The witness then withdrew).

The Committee then adjourned.

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2024-25)
MINUTES OF THE FOURTEENTH SITTING

The Committee sat on Tuesday, the 18th March, 2025 from 1000 hrs. to 1030 hrs. in Committee Room 'C', PHA, New Delhi**.**

PRESENT

SHRI AZAD KIRTI JHA - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Robert Bruce C
3. Smt. Kriti Devi Debbarman
4. Dr. Kalyan Vaijinathrao Kale
5. Shri Babu Singh Kushwaha
6. Shri Utkarsh Verma Madhur
7. Shri Praveen Patel
8. Shri Balram Naik Porika
9. Shri Sachithanantham R.
10. Shri Eatala Rajender
11. Shri Daggumalla Prasada Rao
12. Dr. Ricky Andrew J. Syngkon
13. Shri Shivmangal Singh Tomar

RAJYA SABHA

14. Shri Subhash Barala
15. Shri Subhash Chandra Bose Pilli
16. Shri Meda Raghunadha Reddy
17. Dr. Kalpana Saini
18. Shri Arun Singh

SECRETARIAT

7.	Smt. Maya Lingi	-	Joint Secretary
8.	Ms. Miranda Ingudam	-	Director
9.	Shri Kulvinder Singh	-	Deputy Secretary
10.	Shri Nagendra Suman	-	Deputy Secretary
11.	Shri Abhishek Kumar	-	Deputy Director
12.	Ms. Neelam Bhave	-	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) Sixth Report on 'Demands for Grants (2025-26)' pertaining to the Department of Fertilizers, Ministry of Chemicals and Fertilizers;

(ii) XXXX XXXX XXXX XXXX

(iii) XXXX XXXX XXXX XXXX

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 light of factual verifications received from the concerned Ministry/Departments.

6. The Committee thereafter decided to undertake a study visit programme during the last week of April 2025.

***The Committee then adjourned*.**