

**34**

**STANDING COMMITTEE ON  
CHEMICALS & FERTILIZERS  
(2016-17)**

**SIXTEENTH LOK SABHA**

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

**IMPLEMENTATION OF POLICY ON PROMOTION OF CITY COMPOST**

**THIRTY-FOURTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

***April, 2017/ Chaitra, 1939 (Saka)***

**CC&F.No.34**

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**STANDING COMMITTEE ON**  
**CHEMICALS AND FERTILIZERS**  
**(2016-17)**

**(SIXTEENTH LOK SABHA)**

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

**IMPLEMENTATION OF POLICY ON PROMOTION OF CITY COMPOST**

*Presented to Lok Sabha on 10 April 2017*

*Laid in Rajya Sabha on 10 April 2017*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**  
*April, 2017/ Chaitra, 1939 (Saka)*

## CONTENTS

COMPOSITION OF THE COMMITTEE (2016-17) .....	
INTRODUCTION .....	
REPORT	
CHAPTER-I	INTRODUCTORY
CHAPTER-II	BUDGETARY PROVISION, FINANCIAL ASSISTANCE AND SUBSIDY
CHAPTER-III	IMPLEMENTATION OF POLICY ON PROMOTION OF CITY COMPOST
CHAPTER-IV	MARKETING OF CITY COMPOST
CHAPTER-V	PROMOTION AND AWARENESS GENERATION
OBSERVATIONS AND RECOMMENDATIONS	
ANNEXURE	
I.	O/M NO.F.11026/14/2015-M&E, MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)
II.	F. No. 11026/14/2015-M&E, MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)
III.	NAME OF VILLAGES
IV.	F. No. 11026/26/2016-M&E, MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS)
V.	MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2016-17) HELD ON 13.10.2016.
VI.	MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2016-17) HELD ON 06.01.2017.
VII.	MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2016-17) HELD ON 06.04.2017.

(iii)

**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2016-17)**

Shri Anandrao Adsul - Chairperson

**MEMBERS  
LOK SABHA**

2. Shri George Baker
3. Smt. Anju Bala
4. Shri B.N Chandrappa
5. Shri Sankar Prasad Datta
6. Smt. Veena Devi
7. Shri R. Dhruvanarayana
8. Shri Innocent
9. Shri K Ashok Kumar
10. Shri Chhedi Paswan
11. Smt. Kamla Devi Patle
12. Shri S. Rajendran
13. Shri Kotha Prabhakar Reddy
14. Dr. Kulamani Samal
15. Dr. Uma Saren
16. Dr. Krishna Pratap Singh
17. Shri Taslimuddin
18. Smt. Rekha Arun Verma
19. Shri Kirti Vardhan Singh
20. Shri Pankaj Chaudhary
21. \$ Dr. (Smt.) Ratna De (Nag)

**RAJYA SABHA**

22. Shri Biswajit Daimary
23. Shri Prem Chand Gupta
24. Shri Sanjay Dattatraya Kakade
25. Shri Surendra Singh Nagar
26. Shri Narayan Lal Panchariya
27. Shri K Parasaran
28. Shri Palvai Govardhan Reddy
29. Dr. Sanjay Sinh
30. Shri Abdul Wahab
31. Smt. Roopa Ganguly

**SECRETARIAT**

- |    |                      |   |                 |
|----|----------------------|---|-----------------|
| 1. | Smt. Rashmi Jain     | - | Joint Secretary |
| 2. | Shri A.K. Srivastava | - | Director        |
| 3. | Shri Nishant Mehra   | - | Under Secretary |

\$ Dr. (Smt.) Ratna De (Nag) MP, (LS) has nominated as a member of the Committee w.e.f 2.1.2017 in lieu of Sh. Shri Dasrath Tirkey MP, (LS)

(iv)

**INTRODUCTION**

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2016-17) having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Fourth Report on the subject 'Implementation of Policy on Promotion of City Compost' of the Ministry of Chemicals and Fertilizers (Department of Fertilizers).

2. The subject, 'Implementation of Policy on Promotion of City Compost' has been taken up by the Committee on Chemicals and Fertilizers (2016-17) for examination and report. The Committee took oral evidence on the subject at their sittings held on 13.10.2016 and 06.01.2017.

3. The Report was considered and adopted by the Committee at their sitting held on 06 April, 2017.

4. The Committee wish to express their thanks to the officers of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) for furnishing the written replies and other material/ information and for placing their views on the subject before the Committee.

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

6. For facility of reference and convenience, the observations / recommendations of the Committee have been printed in bold letters at the end of the Report.

**New Delhi;**  
**06 April, 2017**  
**16 Chaitra, 1939 (Saka)**

**Anandrao Adsul**  
**Chairperson**  
**Standing Committee on**  
**Chemicals and Fertilizers**

## **IMPLEMENTATION OF POLICY ON PROMOTION OF CITY COMPOST**

### **CHAPTER-I**

#### **INTRODUCTORY**

1.1 Compost is produced through the activity of both aerobic (oxygen-requiring) microorganisms and anaerobic (in absence of oxygen) microorganisms. These microbes require oxygen, moisture and food in order to grow and multiply. When these resources are maintained at optimal levels, the natural decomposition process is greatly accelerated. The microbes generate heat, water vapour and carbon dioxide as they transform raw materials into stable soil conditioner. Active composting is typically characterized by a high temperature phase, which sanitizes the product and allows a high rate of decomposition, followed by a lower temperature phase, which allows the product to stabilize while still decomposing at a lower rate.

1.2 City Compost is an organic matter that has been decomposed and recycled as a fertiliser.

The background of City Compost Promotion are as follows:

- i. The processing and use of city waste as compost is a logical component of the “SWACHH BHARAT ABHIYAN” campaign of Govt. of India launched by the Prime Minister.
- ii. Composting can reduce the volume of waste to landfill/dumpsite by converting the waste into useful by-products.
- iii. Composting also prevents production of harmful greenhouse gases (especially methane) and toxic material that pollutes groundwater apart from polluting the environment.
- iv. Organic carbon content is vital for maintaining and enhancing soil fertility.

1.3 Municipal solid waste is the main raw material for manufacturing of City Compost. According to the Report of Task Force on Wastes to Energy, published by erstwhile Planning Commission in May 2014, the total quantity of waste currently (2014) handled each day in the urban areas in the country is estimated to be 169, 650 metric tonnes i.e. about 62 million tonne per year. Merely 19% of the total waste generated is currently treated. According to information received from MoUD, at present, the total installed capacity of City Compost Plant is 0.71 million tonne and estimated production is 0.15 million tonne per year.

1.4 When the Committee asked to state the objectives of the policy of promotion of city compost, the Department in its written reply stated as under:

- i. Compost from City garbage would not only provide carbon and primary/secondary nutrients to soil but also help in keeping the City clean.
- ii. Market development assistance would lower MRP of City Compost for farmers.
- iii. Use of City Compost in conjunction with chemical Fertilizers would result in higher yield.
- iv. Fertilizer Control Order (FCO) compliant City Compost would ensure that environment friendly quality product reaches the farmers.

1.5 The background of City Compost Promotion Scheme is as follows:

A) On 10.02.2016, Department notified the Policy on Promotion of City Compost. A copy of the notification is at **Annexure-I**. The salient features of the policy are as follows:

- i. Market development assistance in the form of fixed amount of Rs. 1500 per tonne of City Compost will be provided for scaling up production and consumption of the product.
- ii. Initially, marketing and promotion of city compost will be done through the existing fertilizer companies. In due course, compost manufacturers and other marketing entities recognized by the concerned State Government may also be included for the purpose with the approval of Department of Fertilisers. The market development assistance shall be routed through the entity which is marketing it.
- iii. The Fertilizer marketing companies shall be eligible for on account payment up to 50% only on the basis of first point sale (to the dealer/retailer) at the district level. The balance shall be released on receipt of retailer's acknowledgement in mFMS as well as issue of required certificates relating to quantity and quality issued by the respective State Governments in prescribed forms. In case of other marketing entities including compost manufacturers, if they are involved in promotion and sale of city compost and are duly recognized by concerned State Governments, the modalities for release of subsidy to them may be decided by Department of Fertilisers.
- iv. Fertilizer companies and marketing entities will also co-market City Compost with chemical fertilizers through their dealers' network. The mechanism, extent and mode of implementation of such co-marketing depending on levels of compost production, demand generation and other relevant factors shall be decided by the Department of Fertilizers. The provision of Market Development Assistance as proposed in para (i) to (iii) above, shall, however, not be linked to the issue of co-marketing mentioned above.
- v. The companies will also adopt villages for promoting the use of compost.

vi. Government Departments and Public Sector undertakings will also use City Compost to the extent possible for their horticulture and related use.

vii. Department of Agriculture, Cooperation and Farmers Welfare will carry out IEC campaigns to educate farmers on the benefits of city compost. The Agricultural Extension Machineries including KVKs of ICAR will also make special efforts in this regard. Agriculture Universities and KVKs will also take up field demonstration activities to the extent possible using City compost to make it popular amongst the farmers. Department of Agriculture, Cooperation and Farmers Welfare will assign targets to the KVKs in this regard.

viii. Ministry of Urban Development will take steps to increase setting up of compost plants across all States.

ix. An appropriate BIS standard/ Eco-Mark will also be developed in consultation with BIS for enabling better market acceptance. It shall be branded appropriately in a way that reflects clearly that particular initiative is part of Swachh Bharat Mission.

x. A joint mechanism will be set up by Department of Fertilizers, Ministry of Urban Development and Department of Agriculture to monitor and facilitate availability of adequate quantity of City Compost at terms mutually agreeable between compost manufacturers and Fertilizer Marketing companies. They will also be authorized to resolve any co-ordination related issue that may arise.

xi. The expenditure towards market development assistance for scaling up production and consumption of City Compost will be met out from the budget provisions for Department of Fertilizers.

B) Consequent upon notification of the Policy on City Compost, following actions have been taken:

i. Concerned Ministries/Departments/Authorities have been requested to take appropriate action on actionable points contained in the notification.

ii. For co-marketing of City Compost, the tagging of Cities with fertilizer marketing companies for the purpose of proper utilisation of City Compost produced in the cities has been completed as per the list provided by M/o Urban Development.

iii. A separate budget head been created for release of Market Development Assistance (MDA) on sale of City Compost. For the period 2016-17, a provision of Rs. 15 crores have been made.

iv. Operational guidelines for release of MDA on sale of City Compost have been issued on 03.06.2016. A copy of the operational guidelines is at **Annexure-II**.

v. The required software for routing of MDA through FMS and mFMS (now iFMS) is operational.



- vi. A joint Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture to monitor has been set up to facilitate availability of adequate quantity of City Compost at terms mutually agreeable between compost manufacturers and Fertilizer Marketing companies. The Committee will also be authorized to resolve any co-ordination related issue that may arise.
- vii. The fertilizer Companies have adopted 100 villages for promoting the use of City Compost. The list of villages adopted by the Companies are at **Annexure-III**.
- viii. State level steering Committee has been constituted for promotion of City Compost. A copy of the order is at **Annexure-IV**.

### 1.6 Potential of City Compost

- i. Annual waste generation : 620 LMT
- ii. Total potential of City Compost : 54 LMT
- iii. Total installed capacity : 10 LMT
- iv. Unit cost of compost plants – Rs.6-7 crores for 100 MT mixed MSW input.
- v. Compost production status : At the start of the policy it was around 12000 MT/month which has increase to an average of 16000 MT/annum after the implementation of the policy.
- vi. Number of functional city compost plants : 64

1.7 When the Committee asked about the volume of waste to land fill/dumpsite is estimated to be reduced by the composting process and the by-products that are likely to be prepared by the process, the Department in its written reply stated as under:

"It has been targeted by MoUD that by the end of October 2019 all the organic waste generated in the cities is converted into compost/ biogas etc."

1.8 It was also informed to the Committee that city compost can reduce around 40% to 50% of the volume of the waste in landfill or dumpsite by converting it into useful by-products. We have 4000 towns and 500 towns are having population of more than 1 lakh.

1.9 On being asked by the Committee about the quantity of waste generated in the top 20 cities of the country, the Department in its written reply stated as under:

" It is around 2.17 lakh MT per day."

1.10 On being asked to state the benefits/advantages of using of city compost vis-a-vis chemical fertilizers and quantum of usage of fertilizers that is likely to be reduced by its usage, the Department in its written reply stated as under:

"Benefits/advantages of City Compost:

- i. Rich source of organic carbon which is food for microbes
- ii. Supplements nutrient needs of crop
- iii. Improves soil physical and biological properties
- iv. Improves water holding capacity of soil
- v. Improves fertilizer use efficiency and crop yield
- vi. Addresses social and hygienic problems of cities

The NPK content in City Compost is negligible, therefore, it is not a substitute of Chemical fertilisers and reduction in usage of chemical fertilisers is not expected."

1.11 The Secretary (DOF) in the meeting held on 06.01.2017 apprised the Committee that "Let me, at the start, preface my comments by clearly indicating to you that city compost was never intended as a substitute for chemical fertilizers. It can never substitute a chemical fertilizer because it is only a soil conditioner and it improves the carbon content of the soil which, in turn, if the carbon content of the soil increases, will improve the efficiency levels of chemical fertilizers."

### **Environmental effect of the scheme and Solid Waste Management**

1.12 When the Committee asked to state the environmental impact of policy on promotion of city compost in reducing the carbon wastes and to prevent production of harmful greenhouse gases and toxic material, the Department in its written reply stated as under:

"Waste is a big challenge not only before public as nuisance but also degrading the environment in a big manner.

Waste is polluting the environment in following manner:

- a) Surface water contamination:
- b) Soil contamination:
- c) Air Pollution:
- d) Leachate

At present only 22% of the Municipal Solid Waste (MSW) is getting processed in the cities. The unprocessed waste is founding its way in landfills, dumpsites, drains etc causing lot of environmental problems like production of greenhouse gases and toxic waste. This policy will incentivize the processing of waste into compost and it is targeted that by the end of mission period 100% of MSW will be processed and this will reduce significantly the environmental problems."

1.13 When the Committee asked as to what extent the promotion of city compost has been helping in the management of municipal solid waste, the Department in its written reply stated as under:

"After the notification of the Policy, the number of production units and production of City Compost is expected to go up and processing of municipal solid waste would also increase. The impact of the Policy is expected to be visible only after at least one year."

### **Quality control of City Compost**

1.14 When the Committee asked about the studies that have been conducted regarding the quality of city compost required to be used as compared to chemicals fertilizers, the Department in its written reply stated as under:

"In order to ensure supply of good quality of Chemical Fertilizer and Organic Fertilizer including City Compost, Government of India has specified standards of chemical Fertilizers and Organic fertilizers and notified the same under Schedule I and schedule IV respectively of Fertilizer (Control) Order, (FCO), 1985. The fertilizers are notified/specified in FCO on the finding of the Technical Group duly recommended by the Central Fertilizer Committee (CFC) constituted under clause 38 of FCO, 1985. The Technical Group of CFC, while recommending the incorporation of any fertiliser in FCO, would have taken into account the agronomic trial results, economic feasibility etc. of the product. The Fertilizer Inspectors of the State Government are empowered under clause 28 of the FCO to draw and analyse the samples of all the fertilizers including City Compost in the notified laboratories. Under clause 19 of FCO, no person shall manufacture/import for sale, sell, offer for sale, stock or exhibit for sale or distribute any fertilizer which is not of prescribed standard. Any violation of the provision would lead to both administrative and penal action under clause 32 of Fertilizer (Control) Order, 1985 and under section 7 of Essential Commodities Act, 1955 which may lead to imprisonment for a period from 3 months to 7 years. Thus, all the regulatory provisions of FCO are applicable to the fertilizers notified under FCO including City Compost.

Ministry of Agriculture and Farmers Welfare vide notification S.O.No. 391(E) dated 24.3.2006 has notified the city compost, vermi compost and press mud in the Fertilizer (Control) Order, 1985 as Organic Fertilizer. On receipt of various representations in 2006, the CFC decided to constitute a Technical Group under the chairmanship of ADG (Soil), ICAR and 8 other members to look into the feasibility and all technical & scientific aspects of City Compost and Vermi Compost. The Technical Group was assisted by Indian Institute of Soil Science, Bhopal and National Centre of Organic farming who have collected & analysed samples from various City waste compost unit in the country and recommended amendments in the specifications. These amendments were discussed and recommended by CFC in June, 2009. This Ministry vide notification SO No. 2803 (E) dated 3<sup>rd</sup> November, 2009 again notified the revised specification in FCO. Similarly, in 2016, a proposal received from the Association of City Compost was discussed in Technical Group and later in CFC and have recommended for amendments. These specifications were further reviewed and amended by the Ministry vide notification SO No. 3054 (E) dated 23<sup>rd</sup> November, 2016."

## CHAPTER-II

### Budgetary Provision, Financial Assistance and Pricing

2.1 A separate budget head been created for release of Marketing Development Assistance (MDA) on sale of City Compost. For the period 2016-17, a provision of Rs. 15 Crore has been made.

2.2 When the Committee enquired as to how the Department proposes to utilize the funds allocated under the head, the Department in its written reply stated as under:

"The Fertilizer marketing companies shall get on account payment up to 50% only on the basis of first point sale (to the dealer/retailer) at the district level. The balance shall be released on receipt of retailer's acknowledgement in mFMS as well as issue of required certificates relating to quantity and quality issued by the respective State Governments in prescribed forms. In case of other marketing entities including compost manufacturers, if they are involved in promotion and sale of city compost and are duly recognized by concerned State Governments, the modalities for release of subsidy to them will be decided by Department of Fertilisers."

2.3 On being asked to furnish detail regarding the estimated BE for the year 2017-18 and its allocation to different marketing companies/entities, the Department in its written reply stated as under:

"The estimated BE for the year 2017-18 is Rs.15 crores. The release of Marketing Development Assistance is linked to sale of the City Compost. At present, there is no provision for dividing the budget amount marketing entities wise."

2.4 When the Committee asked the Department as to how it proposes to utilize Marketing Development Assistance in the form of fixed amount of Rs. 1500 per tonne of city compost provided for scaling up production and consumption of product, the Department in its written reply stated as under:

"Marketing Development Assistance will enable the marketing agencies to price the product appropriately to stimulate the demand which in turn shall improve the capacity utilisation of existing Compost production. The proposal envisages full capacity utilisation of about 1.0 Million Tonnes of the present facility in next few years and creation of additional capacity subsequently."

#### **PRICING OF CITY COMPOST:**

2.5 When the Committee enquired as to whether any kind of direct incentive/subsidy on compost is being provided to farmers so as to promote widespread use of compost in the country, the Department in its written reply stated as under:

"At present, no direct incentive/subsidy on compost is being provided to farmers. However, subsidy of Rs 1500/- per MT is provided to the marketing entities on sale of the City Compost which would be passed on to the farmers in terms of reduced MRP."

2.6 The Committee were informed during their study visit to Gangtok on 04.11.2016 that farmers of the North-East region are reluctant to use City Compost in their field as it is not cost effective vis-a-vis chemical fertilizers due to the fact that 5-6 times of city compost is required in order to get the comparable results with chemical fertilizers. In addition to this the cost is further escalated due to the increased cost of collections of garbage from the hilly and difficult areas like Gangtok.

2.7 When the Members of the Committee in its meeting held on 06.01.2017 sought to know whether farmers are ready to use compost, the CMD of RCF submitted the following during the oral evidence as under :

"... that farmers have not accepted city compost as a fertilizer. It is more of a soil conditioner one can see immediate benefits of using urea but in case of city compost, the impact on the soil would be visible only after the continuous use for 2 to 3 years. The price of urea per bag is about Rs.280 whereas, a bag of city compost is available at about Rs.200. At this price city compost will never be able to compete with fertilizers. I believe that difference of Rs.50-Rs.60 will not be able to attract the farmers to purchase it. The last two seasons due to lack of availability of urea we could sell city compost along with the urea. However, since the increase of availability of urea, the selling of city compost has become difficult. There is also the problem of storage as in case it is not sold, after some time it starts emitting foul smell."

2.8 When asked by the Committee as to whether the Department has been working out methods to reduce the price of compost to make it more attractive for the farmers to use, the officials of the Department of Fertilizers during the oral evidence in the meeting held on 06.01.2017 submitted the following to the Committee:

"that as far as pricing of city compost is concerned fertilizers companies are purchasing city compost from the city compost producer at Rs.2500 per tonn. After that bagging and transportation is done. Thereafter, company profit margin and the dealer profit margin are added and over that we shall provide subsidy of Rs.1500. If we have to reduce the price further we would bring the new scheme wherein compost producer can sell loose city compost at their plant end. If city compost is sold loose, the production cost comes to Rs.2500 and if the subsidy of Rs.1500 per tonn is also provided then the city compost shall be available at Rs.1000 to the farmers, which come to Rs.50 per bag to the farmers. In a way this will be able to make city compost attractive to the farmers."

2.9 On being asked by the Committee as to how does Department make city compost cost effective for the farmers, the Department in its written reply further stated as under:

"The Department of Fertilizers is providing Market Development Assistance of Rs.1500/- per MT for scaling up production and consumption of City Compost. The Department of Fertilizers vide O.M. issued on 28.09.2016 have allowed compost manufacturers for direct sale of city compost to farmers. Guidelines for release of MDA on direct sale of city compost by compost manufacturers to farmers under the policy on promotion of city compost have been issued by the Department to Fertilizers on 09.01.2017. Allowing compost manufacturers for direct sale to farmers will bring down the cost of city compost. MoUD under SBM(U) provides 35% VGF/Grants of project cost for setting up of compost plants. State Governments also provide 15% funds for project cost."

2.10 The Secretary Department of Fertilizers during oral evidence on 13.10.2016 added the following

"some of the States like Andhra Pradesh is further providing subsidy of Rs 1000. Which will further reduce the cost of city compost."

## CHAPTER-III

### IMPLEMENTATION OF POLICY ON PROMOTION OF CITY COMPOST

#### 3.1 Roles of various Departments/agencies:

- i. Department of Fertilisers will provide Market Development Assistance of Rs. 1500/MT to Marketer of City Compost.
- ii. D/o Agriculture, Cooperation and Farmers Welfare will carry out Information, Education & Communication (IEC) campaigns to educate farmers on the benefits of city compost. The Agricultural Extension Machineries including KVKs of ICAR will also make special efforts in this regard. Agriculture Universities and KVKs will also take up field demonstration activities to the extent possible using City compost to make it popular amongst the farmers. D/o Agriculture, Cooperation and Farmers Welfare will assign targets to the KVKs in this regard.
- iii. M/o Urban Development will take steps to increase setting up of compost plants across all States.

3.2 When asked to state the role of the State Governments defined under the scheme for implementation of policy on promotion of city compost, the Department in its written reply stated as under:

"A Committee headed by principal Secretary Urban Development of the State Government with representatives from various other related departments of the State Government has been set up for ensuring tagging of fertilizer companies with compost manufacturers in the State, monitoring the production and MRP of compost in the State etc."

#### **STATE LEVEL STEERING COMMITTEE**

3.3 State level steering Committee has been constituted for promotion of City Compost. The Department has notified a Policy on Promotion of City Compost and a copy of the same has already been circulated to all the States/UTs for necessary action. For inter-departmental coordination, it would be desirable that State level Committee is constituted for promotion of the scheme. Accordingly, it has been decided to constitute a State Level Steering Committee for promotion of City Compost. The Composition of the Committee would be as follows:

- i. Principal Secretary/Secretary, D/o Urban Development (Local Self Government) - Chairman
- ii. Principal Secretary/ Secretary – D/o Agriculture – Co-Chairman
- iii. Mission Director, Swachh Bharat (Urban) - Convenor
- iv. Commissioner/Director, Agriculture - Member
- v. Commissioner/Director (Horticulture) - Member
- vi. Municipal Commissioner of Capital City – Member

- vii. 2 Municipal Commissioners from the Cities where compost plant is functional – Members
- viii. Managing Directors/ Chief Executive Officers of the Fertilizer Companies operating in the State – Members

The Steering Committee shall meet on fortnightly basis to analyze the development in regard to compost promotion and distribution.

3.4 The terms of reference of the Committee would be as follows:

- a. Tagging the city compost producing units with the fertilizer marketing companies for co-marketing as per policy notification.
- b. Finalize the strategy for promoting usage of city compost in agriculture/horticulture activities.
- c. To monitor MRP of city compost being sold in the State under the notified policy.
- d. Prepare and implement the action plan for achieving 100% processing of municipal waste
- e. To monitor issue of necessary certificates by concerned agency in the State Government to facilitate release of Market Development Assistance to fertilizer companies
- f. To closely monitor the production of FCO compliant city compost and extend all necessary support to cities to achieve the above

3.5 When the Committee asked to provide details about the constitution of State Level Steering Committee on City Compost, the Department in its written reply stated as under:

".... As per the letters received from States, only two States (Nagaland, Mizoram) have formulated Committee."

3.6 On being further asked by the Committee about the steps that have been taken by the Department to ensure constitution of state level Steering Committee in States, the Department in its written reply stated as under:

"The Department of Fertilizers has issued an OM dated 11.05.2016 for Constitution of State Level Steering Committee. Subsequently a reminder dated has been issued on 24.10.2016. As per the letters received from States/UTs, only seven States/UTs (Maharashtra, Punjab, Mizoram, Nagaland, Tamil Nadu Tripura and Andaman & Nicobar Islands) have formulated Steering Committee on City Compost."

"Further, a letter dated 01.02.2017 has been sent to defaulting States. A meeting would be also called in Department of Fertilizers with all the States which have not constituted State Level Steering Committee so far."

3.7 Further, the Secretary (DoF) appraised the Committee during the meeting of the Committee held on 06.01.2017 that "to facilitate the marketing of these products,



the States have been asked to constitute State-level Steering Committees. Not all the States Governments have set up these State Level Steering Committees. But we are issuing them reminder upon reminder that please go ahead and constitute them. Only seven states/ UTs in the country have constituted these Steering Committees. These are basically Maharashtra, Punjab, Mizoram, Nagaland, Tamil Nadu Tripura and Andaman & Nicobar Islands. We will again write to them and request them that these State Level Steering Committees should be constituted expeditiously and we will try and tell them that by this date please constitute them. But this is ultimately the State's prerogative.

### **SEGREGATION OF WASTE:**

3.8 Segregation has been defined as – sorting and separate storage of various components of solid waste namely biodegradable wastes including agriculture and dairy waste, non-biodegradable wastes including recyclable waste, non-recyclable, combustible waste, sanitary waste and non-recyclable inert waste, domestic hazardous wastes, and construction and demolition wastes.

3.9 On being asked about the States that are providing support to the households to segregate waste to the household level, the Department in its written reply stated as under:

"Every State has to ensure compliance with Solid Waste Management (SWM) Rules, 2016 and the time line for this has been fixed for 2 years from the date of release of the gazette notification. MoUD under SBM are providing all technical know-how support to ULBs on their specific requests and also encourages ULBs to undertake more and more capacity building workshops, IEC activities at its level.

3.10 During the course of evidence held on 06.01.2017, the Secretary Department of Fertilizers informed as under :

"Total annual waste generation is 620 lakh MT and out of this city compost has the potential of about 54 MT. At present the total installed capacity is only 13 lakh MT and the unit cost of one compost plant is roughly Rs.6 to Rs.7 crore for 100 MT and it is made from a mixed municipal solid waste. The quality of output depend on quality of segregation by individual house hold. At present urban households are not very much aware about the segregation of waste. "

3.11 When the Committee specifically desired to know the policy of segregation followed by Hyderabad Municipal Corporation, the Department in its reply stated as under

"The Hyderabad Municipal Corporation has launched a two-bin system wherein two colored bins have been distributed to households in all wards to encourage the segregation of wet and dry waste. Further, the same is being propagated in public areas as well. The vehicles collecting garbage have also been segregated in the same way. Simultaneously, a number of Mass IEC and behaviour change drives have also been initiated to increase awareness on the importance of segregation of waste amongst the citizens of Hyderabad. It was further added by the Secretary Department of Fertilizers during the course of sitting held on 06.01.2017 that the system adopted by Hyderabad was not very successful. However, public awareness is very important in this regard."

3.12 The Committee during its study visit to Gangtok on 04.11.2016, asked as to how the Union Government propose to solve the problem, in respect of State of Sikkim and other hilly areas of the country and whether Union Government proposes to impress upon the State Government/Municipalities to utilize the services of unemployed youth in garbage collection which will not only inebriate garbage collection but also keep the city clean besides providing them employment, the Department in its written reply stated as under:

"MoUD has been advising ULBs to involve and utilize the Informal sector waste collectors / rag pickers/ kabariwala (scrap dealer) etc. to improve waste collection and segregation activities. Some NGOs like – CHINTAN have been involved to train ULBs and assist them in these activities."

**ROLE OF CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY (CIPET) IN SWACHH BHARAT ABHIYAN**

3.13 CIPET during the Study Visit of the Committee to Gangtok and Kozhikode apprised the Committee about its various plastic waste technology services and laboratories which can be effectively utilized while segregation of plastic waste.

3.14 When the Committee enquired whether Fertilizer Companies /State Government will liaise with Central Institute of Plastics Engineering & Technology (CIPET) for providing technical information for plastic waste management, the Department in its written reply stated as under:

"At present, there is no such proposal under consideration in the Department."

3.15 On being asked as to whether Department of Fertilizers propose to seek the assistance of CIPET and Ministry of Urban Development for recycling of plastic waste, the Department in its written reply stated as under:

"At present, Department of Fertilizer is implementing the policy of promotion of City compost. Under the policy, DOF is a mainly concerned with co-ordination of city compost. However, as advised, Ministry of Urban Development will be requested to take up the matter with CIPET for recycling of Plastic Waste."

**Compost Manufacturing Plants:**

3.16 On being asked by the Committee to furnish details of the existing Compost Manufacturing Plants and their total installed capacity in different cities of the country, the Department in its written reply stated as under:

"At present, 45 plants are functional and 283 plants are under construction/ revival stage. Functional Compost Plants along with Installed Capacity

Sl. NO.	State	No. of Plants	Annual Production Capacity (MT)
1.	Andaman & Nicobar Island	1	90
2.	Chhattisgarh	1	1350
3.	Daman & Diu	1	4050
4.	Delhi	3	350500
5.	Goa	1	1125
6.	Gujarat	11	337225
7.	Karnataka	5	79200
8.	Kerala	1	4950
9.	Madhya Pradesh	1	12385
10.	Maharashtra	3	59400
11.	Rajasthan	1	14850
12.	Tamil Nadu	8	62569
13.	Telangana	2	2520
14.	Uttar Pradesh	4	20295
15.	West Bengal	2	49500
		<b>45</b>	<b>1000009</b>

As per the latest update by the Department, number of functional city compost plants are 64."

3.17 When the Committee further enquired as to when are these 283 plants are likely to be made functional, the Department in its written reply stated as under:

"MoUD on a monthly basis is reviewing the progress and effectively communicating with the ULBs to provide necessary support to compost facility operators to commission their facility at the earliest. It is anticipated that by March 2018 almost 90% of the facility shall be established and commissioned. MoUD is also providing a VGF of 35% for the establishment/ upgradation/capacity enhancement of these plants as per the demand received from the States."

3.18 On being asked to state the guidelines defined for an entrepreneur to start a Compost Manufacturing Plant and any kind of assistance provided to the person for

starting up of Compost Manufacturing Plant, the Department in its written reply stated as under:

"Under the Swachh Bharat Mission guidelines 35% of VGF/ Grant is available to a compost manufacturer for setting up a compost manufacturing plant."

3.19 When the Committee asked to state the steps that have been taken by the Ministry of Urban Development to increase setting up of compost plants across all States, the Department in its written reply stated as under:

"MoUD is facilitating the signing of agreement between compost manufacturers, fertilizer companies and Municipal Corporations for sale of compost under the new policy. Moreover the Ministry is pursuing with various State Governments to revive defunct/ under utilised compost plants by providing subsidy under SBM. The Ministry is also pursuing with MoF & Department of Agriculture, Cooperation and farmers Welfare (DAC&FW) for making amendments in FCO and other related policy to make it easier for compost manufacturers to sell their produce. The Ministry will be also launching an IEC campaign with Sh. Amitabh Bachchan as brand ambassador for promotion of usage of compost among households."

3.20 Further, it was informed to the Committee during its meeting held on 13.10.2016, that the Department is making efforts to open city compost manufacturing plants. After the notification of this policy, Rs 7000 crore projects have been approved. We feel that by the year 2019 one such plant shall be established in each city. So that we can say every city has a City Compost processing plant by 2nd October 2019.

3.21 When asked to give details of the cities to be covered under the schemes. How many cities have functional/dysfunctional/under-utilized compost plants, the Department in its written reply stated as under:

Sl. NO.	State	Cities	Total No. of plants	Plant Capacity (MT)	Actual Compost Production per month(MT)
1.	Andhra Pradesh	Kamareddy, Kurnool	2	2400	480
2.	Assam	Guwahati	1	15000	2250
3.	Chhattisgarh	Dhamtari	1	1200	240
4.	Delhi	Delhi	4	168000	27000
5.	Goa	Panjim	1	1200	240
6.	Gujarat	Amhedabad, Bhavnagar, Dakor, Godhra, Morbi, Patan, Porbander, Surat, Surender Nagar, Vadodara	15	174300	34044
7.	Haryana	Karnal, Rohtak, Yamunanagar, Sirsa	4	18600	2844
8.	Karnataka	Bangalore, Belgaum, Mangalore, Mysore, Shimoga, Tumkuru, Magadi	18	473400	47640
9.	Kerala	Calicut, Alapuzha	3	156000	31200

Sl. NO.	State	Cities	Total No. of plants	Plant Capacity (MT)	Actual Compost Production per month(MT)
10.	Madhya Pradesh	Indore	1	36000	5400
11.	Maharashtra	Navi Mumbai, Pune, Nagpur, Turbhe, PimpriChichward, Ratnagiri, Karad, Solapur, Yavatmal, Malegaon	13	488400	61104
12.	Punjab	Bathinda	2	19200	2880
13.	Rajasthan	Jaipur	1	180000	27000
14.	Telangana	Hyderabad, Suryapet	5	192000	28740
15.	Tamil Nadu	Coimbatore, Madurai, Trichy, Conoor, Erode, Muttupalyam, Pollachi, Udumplet, Pallavaram	9	67680	10716
16.	Tripura	Agartala	1	75000	4500
17.	Uttar Pradesh	Moradabad, Muzafarnagar, Aligarh, Fatehpur, Lucknow, Allahabad, Mainpuri, Varanasi	7	124560	18960
18.	West Bengal	Haldia, Kolkata, Howrah	5	170400	25560
	Total		93	2363340	330798

3.22 When the Committee asked as to how the Department are going to achieve its target under the scheme when its Kochi plant is not functional and Calicut plant which is functional has annual capacity of 6000 MTs only, the Department in its written reply stated as under:

"Kerala State Government are promoting decentralized composting to convert biodegradable waste into compost. The State government has outlined plans for the same under their plans for SWM in the state. A number of interventions including awareness generation and behavior change activities have also been initiated in the state to promote composting at a decentralized level."

3.23 The Committee during its study visit to Gangtok note that Sikkim is yet to be tagged with BVFCL as there is no bulk generation of compost. This will be done as soon as the new compost plant is ready which is expected to be functional by March 2017. Currently there is only one compost manufacturing plant with the capacity of 50 TDP which was generally under break down. Further, by March 2017, 1-MT compost plant at the vegetable market to convert vegetable waste to compost under pilot project sponsored by ICLEI would be setup.

3.24 The Committee during its study visit to Gangtok and Kozhikode noted that Government of Kerala is yet to constitute the State Level Steering Committee for promotion of city compost.

## CHAPTER-IV

### MARKETING OF CITY COMPOST

4.1 On being asked to give details regarding the production cost and the MRP of city compost at which it would be sold, the Department in its written reply stated as under:

"Rs 2500/- per MT is the average production cost of the FCO compliant City Compost. The MRP varies from State to state and also on whether the compost manufacturer is directly selling or the compost is being sold through the fertilizer companies."

4.2 On being asked to state the provisions for marketing of city compost, the Department in its written reply stated as under:

"Fertilizer companies as marketing entities have been advised to co-market City Compost with chemical fertilizers through their dealers' network. The mechanism, extent and mode of implementation of such co-marketing depending on levels of compost production, demand generation and other relevant factors shall be decided by the Department of Fertilizers. In this regard, letters have been written to all fertiliser Companies. The co-marketing of City Compost is also monitored through iFMS portal and also in monthly supply plan meetings."

4.3 **Name of the fertilisers Companies along with name of the cities which are tagged with these Companies for proper utilisation of municipal solid waste in these cities**

Name of Company	Name of States	Name of City with City Compost Plants		
		Operational	Closed	Under construction
Coromandel India Ltd.	Telangana	Hyderabad, Suryapet, Warangal		
NFCL	Andhra Pradesh	Vishakhapatnam		Vijayawada, Tirupati
	Odisha		Junagarh	
	West Bengal	Kolkata, Haldia		Asansol, Kolkata
MCFL	Karnataka	Mysore, Mangalore, Bangalore, Shimoga, Belgaum		
FACT	Kerala	Calicut		Kochi
MFL	Tamil Nadu,	Madurai, Conoor, Coimbatore, Metupalyam, Udumplet, Trichy, Erode, Pollachi	Salem	Chennai (2), Madurai, Coimbatore
SPIC	Pondicherry			
	A&N Island	Port Blare		
	Lakshadweep			
GNVFC	Gujarat	Surat, Vadodara, Ahmadabad (2),	Rajkot	Rajkot, Ahmadabad

Name of Company	Name of States	Name of City with City Compost Plants		
		Operational	Closed	Under construction
NFL	Madhya Pradesh Chhattisgarh Punjab	Bhavangar, Dakor, Patan, Godhra, Surendra Nagar, Porbandar, Morbi	Gwalior	Ujjain
		Indore, Bhopal Dhamtari		Ludhiana, Amritsar Shimla
	Himachal Pradesh J&K Delhi Chandigarh Bihar	New Delhi (2), Okhla	Shimla	
RCF	Maharashtra	Pune, Nagpur, Turbhe, Navi, Mumbai	Jalgaon, Pune	Patna Greater Mumbai, Nashik, Nander Jaipur
Chambal ZIL GSFC	Rajasthan Goa Daman & Diu Dadra & Nagar Haveli	Jaipur Goa Daman & Diu		
KRIBHCO IFFCO	Haryana Uttar Pradesh	Muzaffarnagar, Aligarh, Moradabad, Fatehpur Allahabad, Lucknow	Faridabad Agra, Bareilly, Kanpur	Faridabad Varanasi, Meerut, Sambhal, Mirzapur, Jaunpur, Balia, Badaun Nainital, Dehradun, Haridwar Ranchi, Dhanbad, Jamshedpur Guwahati Agartala Imphal Kohima
	Uttarakhand			
	Jharkhand			
BVFCL	Assam Tripura Manipur Nagaland Arunachal Pradesh Sikkim Mizoram	Itanagar		Gangtok Aizawal

4.4 On being further enquired reason for only tagging 14 states with Fertilizers companies for the implementation of schemes and the steps that have been taken to cover up the other states of the country under the scheme, the Department in its written reply stated as under:

"Vide Department of Fertilizers O.M. No. 11026/26/2016-M&E dated 10.05.2016, States have been advised to constitute State level Steering Committee for promotion of City Compost. One of the ToRs of the Committee is Tagging the city compost producing units with Fertilizers marketing companies for co-marketing as per policy notification."

4.5 As per the data obtained from the City Compost manufactures and marketing companies, the production and marketing of City Compost during April to August 2016-17 are as under :

Figures are in MT

Name of Companies	Target for the year 2016-17 (by DoF)	April, 2016	May, 2016	June, 2016	July, 2016	August, 16	Total
<b>Marketing of City Compost by Fertilizer Companies</b>							
CFCL	10000				1000	37	1037
GSFC		80.95	447.15	1024.2	1065.3	706.4	3324
MCFL	25000	0	0	0	0	0	0
Greenstar/S PIC		0	0	0	0	0	0
NFCL		0	153.5	175	561	297	1186.5
KRIBHCO	50000	987.3	1766.9	1714.0	1762.5	697	6927.75
INDO GULF	10000	0	0	16	16	0	32
TCL	20000	82	139	517.25	215	432.15	1385.4
CIL	40000	411	2144	3555	3094	2055.55	11259.55
FACT	10000	40	102.5	153.5	192.25	755	1243.25
MFL	10000	0	0	10	108	209	327
NFL	21000	0	0	0	150	120	270
RCF	20000	0	0	221	76	267	564
IFFCO	25000	0	0	0	364.67	63.3	427.97
BVFCL	10000	0	0	0	0	0	0
Shriram Fertilizers	10000	0	18	0	0	0	18
GNVFC	10000	337	1742	854	624	455	4012
ZAL	10000	12.85	15.45	31.8	285.65	87.65	433.4
IPL	10000						0
PPL	10000						0
DFPCL	10000	0	0	0	0	16	16
KFCL	10000	0	0	0	0	0	0
<b>Total</b>	<b>321000</b>	1951.1	6528.5	8271.8	9514.37	6198.1	32463.82
<b>Production of City Compost by Manufacturer</b>							
		8787	8120	8113	6623	17020	<b>48663</b>

4.6 When asked by the Committee to state the reasons for the poor performance of fertilizer marketing companies in terms of achieving the marketing target for city compost the Department in its written reply stated as under:

"The target of marketing has been kept at higher side under the expectation that production will increase substantially but as per data received from manufacturers and marketers of City Compost, during April-August 2016, the marketing of City Compost was 32,463.82 MT against the production of 48663



MT. Compost manufacturers are also directly marketing the Compost to farmers, etc."

4.7 Further, the Committee also note that some of the companies i.e. MCFL, Greenstar/SPIC, Shriram Fertilizers, IPL, PPL, KFCL have done nil marketing of city compost and other companies i.e. Indogulf, MFL,NFL,RCF, etc., have done nil marketing of city compost in last few months. When the Committee asked to state the reason for this poor performance by the fertiliser companies to achieve the marketing target and steps being taken by the Department to boost the marketing performance of city compost by these companies, the Department in its written reply stated as under:

"These Companies were either not marketing City Compost in the past at all or have not been marketing City Compost in recent past. After the notification of Policy on 10.02.2016 and issue of guidelines on 03.06.2016, these Companies have started process of marketing by way of tie up with manufacturers, printing of bags, etc. However, these Companies have been advised to market the City Compost and Department is closely monitoring their performance. Recently, NFL has confirmed in writing that it would market 8000 MT in October and SPIC/Green star has confirmed that it would market 6000 MT by March 2017. "

4.8 The Committee note that as per the figures furnished by the Department regarding the production of city compost by the manufacturers, the total production is only 48,663 MT. When the Committee asked to state the reasons for such a low production of city compost during April-August, 2016 by the manufacturers and steps that have been taken by the Department to boost the city compost production, the Department in its written reply stated as under:

"The production of City Compost is increasing. Monthly production has increased from about 8000 MT during April-July to 17020 MT during August 2016. IEC campaigns are on by the Ministries to popularize the usage of compost among farmers which will boost up the demand in the near future thereby increasing compost production."

4.9 The Committee during its study visit to Gangtok observe that BVFCL has no marketing office or presence in the State of Sikkim, the Company is finding it difficult to implement the policy on promotion of city compost in the region. Even BVFCL has not adopted any village in Sikkim for promotion/demonstration of the usage of City Compost. In this regard, when the Committee asked whether the Department has

any plan to overcome the bottleneck stated above, the Department in its written reply stated as under:

"Although BVFCL does not have marketing network in the State of Sikkim, it has been advised to market the City Compost produced in the State by developing the marketing network as it has been tagged with the State of Sikkim."

4.10 Further, the Secretary (DoF) apprised the Committee during the meeting of the Committee that

"in clause 2 (f) of the FCO i.e. definition of dealer, the 'Marketer' concept is incorporated and the same is also defined under the new clause (ma). This will facilitate the manufacturer to sell the city compost through an identified marketer in the area where he has no dealer network. This would also lead to increase in the consumption of city compost. To help this clause, we are giving Rs. 1500 per metric tonne subsidy as marketing development assistance. This is being given by the Fertilizer Ministry in addition to 35 per cent Viability Gap Funding (VGF) on the project cost which is being given by the Ministry of Urban Development plus 15 per cent by the State Governments"

4.11 On being further asked about the steps being taken to ensure effective implementation of the scheme in the State like Sikkim where the company was having no presence/Marketing office, the Department in its written reply stated as under:

"The Department of Fertilizers has issued an OM dated 11.05.2016 for Constitution of State Level Steering Committee. The ToR of the Committee would be

- a. Tagging the city compost producing units with the fertilizer marketing companies for co-marketing as per policy notification.
- b. Finalize the strategy for promoting usage of city compost in agriculture/horticulture activities.
- c. To monitor issue of necessary certificates by concerned agency in the State Government to facilitate release of Market Development Assistance to fertilizer companies
- d. The fertilizer Companies have adopted 100 villages for promoting the use of City Compost."

4.12 On being asked as to when will the city compost units in other North Eastern States like Meghalaya, Manipur, Mizoram, Nagaland and Sikkim will start, the Department in its written reply stated as under:

"Four North Eastern States viz. Assam Arunachal Pradesh, Tripura & Meghalaya has stated manufacturing and marketing of City Compost through their own channels. The capacity of the plants is low and the sustainability of the operation of the plants is yet to be established. Other North Eastern States viz Nagaland, Manipur & Sikkim are yet to install the plants for manufacturing of the City Compost."

## CHAPTER-V

### PROMOTION AND AWARENESS GENERATION

5.1 When the Committee asked to state the steps that have been taken or proposed to be taken by the Department for the promotion and awareness generation regarding usage of city compost, the Department in its written reply stated as under:

"This Ministry has taken the following steps for promotion of City Compost:

- (i) ICAR was requested (a) to carry out field demonstration and (b) to popularize the use of City Compost among the farmers.
- (ii) Advisory was issued to the State Governments to take quality control measures under FCO, 1985 to ensure the supply of good quality city compost to the farmers on 4<sup>th</sup> April,2016.
- (iii) Advisories has been issued to the State Governments to promote the use of City Compost on 15<sup>th</sup> Feburary,2015, 4<sup>th</sup> April,2016 and 18<sup>th</sup> April,2016.
- (iv) An advertisement on promotion of use of City Compost in the daily local newspapers have been published.
- (v) Assessment of fertilizers is carried out by Department of Agriculture, Cooperation and Farmers Welfare for every season i.e. Kharif and Rabi. For assessment Rabi,2017, it was discussed that as per ICAR recommendation, the per hectare requirement of Organic fertiliser is about 3 tonne per annum. As per these norms the states were advised to assess per annum requirement of organic fertiliser and also evaluate all sources of organic fertilizers and bio fertilizers available in their states and further advised that balance requirement of organic fertiliser shall be met through city compost.

The IEC campaign material is being provided for publicity through audio spot in Kissan Vani on FM Radio Net Work of AIR, publicity through video spot in Krishi Darshan & DD Kissan and print advertisement in newspapers."

5.2 Further, in order to encourage the use of City Compost, this Ministry has made amendments in the provision of Fertilizer Control Order (FCO) relating to city compost specifications, regulation of manufacturing and marketing as follows:

- (a) Clause 14 & 15 of FCO- deleting the requirement of Certificate of Manufacture for manufacturing of City Compost, - This will facilitate entrepreneurs to enter in the business of manufacturing of city compost.

- (b) In the specification of city Compost specified in Schedule IV, the value of moisture content is amended from the existing value of 15-25% to 25% maximum in order to take into account the tropical weather conditions in the quality parameters.

In clause 2 (f) of the FCO i.e. definition of dealer, the 'Marketer' concept is incorporated and the same is also defined under the new clause (ma). This facilitate the manufacturer to sell the city compost through an identified marketer in the area where he has no dealer network. This would also lead to increase in the consumption of city compost."

The Committee in the meeting held on 06.01.2017 were apprised by the Department of Fertilizers that "first of all licensing is a problem because city compost is brought under the FCO therefore obtaining license is mandatory. The city compost manufacturers are added in the license, some State governments have single level policy level granting license and some State governments have the licensing policy at the District level."

5.3 The fertilizer Companies have adopted 100 villages for promoting the use of City Compost. The list of villages adopted by the Companies are as under :

<b>Name of Company</b>	<b>Village adoption state</b>	<b>Name of Village</b>
NFL	10 Villages adopted in Haryana and MP	Chhapera, Tapkan, Tai, Nallad-Dist. Nuh, Basam-Dist. Rohtak, Burani Kheri, Daulat Baroda in Indore, Tajpur in Dha and Budhana & Ratan Kheri in Dewas
RCF	10 villages adopted in Maharashtra	Koregaon in Ahmednagar and Wagdara, in Wardha, Dindorin Nashik, Netwad in Pune, Ujjain-Solapur, Mahalgaon in Nagpur, Pimpalgaon in Chandrapur, Tedha in Gondia, Bavdhan in Satara, Jamb in Bhandara
MFL	10 villages in TN adopted	Pidagam and Ranganathpuram in Vilupuram, Vellalapati in Salem, Pallavadi in Dharampuri, Chekkapatty in Dindugal, Kevulur in Madurai, Ko Ponneri in Cuddalore, Asokkadu in Nagapattinam, Kodiyalam in Trichy, Kilarasampattu in Vellore, Udaiyanandhal in Tiruvannamalai, Baluchettichatram in Kanchipuram.
FACT	10 Village adopted in Kerala, TN, AP, Telengana and Karnataka	Kualthoor in Trivandrum, Kanjikuzhy I Alleppey, Ramanattukara in Calicut, Kadannapally in Kannur-(Kerala), Adasolai in Nilgiri, Sirugamani in Trichy- (Tamil Nadu), Mulkalagudem in Warangal (Telengana), Kallur in Ananthpur (AP), Hosalli in Bangaluru Rural, Hebblaguppa in Mysore (Karnataka)

BVFCL	10 villages adopted in Assam	Mairajhar Pathar in Baksa, Kawaimari, Santijanin Nagaor, Jurshimuli in Kamrup, Amguri in Bangalore, Haddemara in Dhubri, Mahmari, Joypur in Dibrugarh, Rohan Bharalipukhri, Japihola in Sibsagar.
NFCL	10 villages in AP adopted	Maddipalli, Obulapuram, Dosaledu, Kadavakallu, Ramalingaiah Palli, Dhummanagari Palli, Abbuchintala Palli, Nallapa Reddipalli, Unaganapalli, Lingala
Sri Ram Fertilizers	10 villages – 5 in Haryana and 5 in Rajasthan adopted	KaranavasKarnavas, Jati, Rajpura, Baldham,Kakodya in Rewari (Haryana) and Umrain, Sodanpur, Machadi, Allapur, Dhawala in Alwar (Rajasthan)
KRIBHCO	10 villages in UP/Haryana/ MP/ Karnataka/ Maharashtra/ Gujarat/ AP/ Chhatisgarh adopted	Forozpur Rajput in Palwal, Hittala in Shivamoga, Manda in Raisen, Parshi in Balod, Nagla Kamal in Moradabad, Ladpur in Bulandshar, Bavdhan in satara, Choudhary Chetramwala in Sri Ganganagar, Mawali in Badodara, Jangamgudem Devergunta in Krishna
GNFC	10 villages in Gujarat adopted	Navita, Nicora, Raima, Itkala in Bharuch, Utaraj in Vadodara, Magodi in Gandhinagar, Zalmor in Banaskantha, Bilya in Patan, Ranakpur in Surenderanagar, Prabhatpur in Junagarh.
CFCL	10 villages in Jaipur district of Rajasthan adopted	Anantpura, Chimanpura, Shyao, Doblai, Singod, Niwana, Devthala, Itawa Bhopji, Charangwas, Udapurai

5.4 On being asked to give details of the programme proposed to be undertaken by the fertilizer companies adopting villages for promoting the use of compost, the Department in its written reply stated as under:

"The fertiliser companies have adopted villages for carrying out activities for promotion of the use of compost. For example, MFL has informed about the activities which include arranging visit of local agricultural Officials for the demonstration of plot to create awareness among farmers with active participation of Department of Agriculture; arranging farmer's seminar."

5.5 The Committee noted that most of the villages adopted by the companies are concentrated in 12 states only i.e. Haryana, Madhya Pradesh, Maharashtra, Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Assam, Karnataka, Rajasthan, Gujarat and Chhattisgarh. On being enquired about the plan of the Department to implement

the programme to other States also, the Department in its written reply stated as under:

"The Companies have been advised to adopt villages for carrying out activities for promotion the use of compost. The Companies are expected to adopt villages where they have their dealers network. However, as the fertiliser Companies have their dealers network in all the States, the Companies would be advised to adopt villages in other States also."

5.6 The Committee further noted that as per the table provided for city compost manufactures and marketing companies, there are 22 companies involved in marketing of city compost, whereas, out of these 22 companies only 10 companies have adopted the villages for promotion of the use of city compost. When the Committee enquired about the reasons for it, the Department in its written reply stated as under:

"The fertilizer Companies which have not adopted villages, have been advised to adopt villages immediately and also to explain reasons for delay in adoption of villages as per the notification."

5.7 When the Committee asked as to whether different agencies involved in treatment of waste namely State Governments, Corporation, Municipal agencies, Zilla Parishad, etc., have been made aware of this scheme, the Department in its written reply stated as under:

"DAC & FW has carried out IEC campaign and an advertisement on promotion of use of City Compost in the daily local newspapers have been published. The advertisement through the print media are carried out through the local daily newspapers, the campaign through electronic media are made at All India Radio, Kissan Channel. At present, the City Compost is at promotional stage, it is not an established product, and its impact would be visible only after at least one year."

5.8 On being asked about the response from farmers on the use of city compost, the Department in its written reply stated as under:

"The DAC&FW would be requested to conduct a study to response from farmers for the use of city compost following the IEC campaigns by the Department of Agriculture. The monthly sales data during April-August has shown increasing trend which shows that the demand of City Compost is increasing."

5.9 When the Committee enquired about the scope for involving the NGOs and Civil Society Organisations and other Stakeholders in IEC campaigns by the Department of Agriculture, the Department in its written reply stated as under:

"The State Government will be advised to involve the Civil Society Organisations and NGOs in raising awareness on City Compost."

5.10 On being asked about the extent of the use of city compost by Government Departments and PSUs for their Horticulture and related use, the Department in its written reply stated as under:

"Department of Public Enterprises has been requested to take appropriate action for promoting use of City compost by Public Sector Undertakings. Central/State Ministries/Departments have been also requested to take appropriate action for promoting use of City compost. At present, Department is capturing the data of production and sales of City Compost by fertiliser Companies."

5.11 On being enquired about the opinion of the Department regarding adding primary and micronutrient to City Compost, the Department in its written reply stated as under:

"Ministry of Agriculture and Farmers Welfare has notified Phosphate Rich Organic Manure (PROM) as Organic Fertilizer, which is an enriched organic fertilizer. Any Proposal to notify enriched City Compost, if received, will be considered for inclusion in FCO."

5.12 As informed by the Joint Secretary (Urban Development) during the Committee that a multimedia campaign is being prepared which will telecast on television from 20<sup>th</sup> November to 30<sup>th</sup> November 2016. We shall request to include State Brand Ambassador in the campaign. When the Committee enquired about the multimedia campaign telecast on the Television, the Department in its written reply stated as under:

"MoUD has launched multi-media campaign with Shri Amitabh Bachchan with a view to increase in the demand for compost in the market. Total 6 such short films of 30 seconds each targeted at various segments of the society including farmers, students, housewives, etc. have been made. This is scheduled to be telecasted from the month of Jan-2017.

Beside this ULBs have also been advised to utilize its IEC & Capacity Building fund under SBM to make such short films, advertisement, conduct workshops, seek experts support in their local language to create public awareness in compliance with SWM Rules, 2016 and also help in achieving SBM Mission Objectives."

5.13 The Committee during its meeting were also appraised about launch of multi-media campaign in the month of January 2017 and were shown certain promotional videos prepared in this regard.

5.14 During the study visit of the Committee to Kozhikode on 08.11.2016, regarding production and marketing to City Compost in Kozhikode city, the Committee observe that FACT is tagged to cities of Kozhikode and Kochi. FACT is

also carrying out demonstration in 25 acres of land free of cost in the farmers' fields and explaining the benefits of using of compost.

5.15 The Committee during its study visit to Gangtok note that Sikkim is yet to be tagged with BVFCL Even BVFCL has not adopted any village in Sikkim for promotion/demonstration of the usage of City Compost.



## OBSERVATIONS AND RECOMMENDATIONS

### (Recommendation No.1)

#### Policy on Promotion of City Compost

The Committee note that Municipal Solid Waste (MSW) is a big challenge being faced by the Government as it degrades the environment. According to the Report of Task Force on Wastes to Energy, published by erstwhile Planning Commission in May 2014, the total quantity of waste currently (2014) handled in the urban areas in the country is estimated to be 169,650 metric tonne each day i.e. about 62 million tonne per year out of which merely 19% of the total waste generated is currently treated. The remaining unprocessed waste finds its way to landfills, dumpsites, drains etc., causing environmental problems like production of greenhouse gases and toxic waste. Thus, in order to process and use city waste as compost, the Government of India has notified the policy on promotion on city compost as a component of “Swachh Bharat Abhiyan”. The Committee also note that composting will not only reduce the volume of waste to landfill/ dumpsite by converting the waste into useful by-products but also prevents production of harmful greenhouse gases (especially methane) and toxic material that pollutes groundwater apart from polluting the environment. This policy aims to incentivize the processing of waste into compost and it is targeted that 100% of Municipal Solid Waste (MSW) will be processed by the end of mission period in October 2019, which will reduce significantly the environmental problems. Compost would also be useful in improving the carbon content in the soil and the policy envisages selling of compost to farmers through the PSU's fertilizer companies. It has also been observed by the Committee that the installed capacity to process waste into compost is 10 LMT whereas the compost production at present is around 16000 MT per annum.

Noting the above, the Committee appreciate the Government for bringing out the policy on promotion of City Compost to overcome the challenge of waste management. The Committee are of the view, that if the policy is implemented in an effective manner, it can achieve twin benefits, namely management of waste as well as improving the carbon content in the soil. The Committee, therefore, recommend that the Ministry should review

the progress of the policy on city compost at regular intervals so as to remove hurdles being faced by concerned agencies and effectively implement the scheme and achieve the targets set on the policy. The Committee would like to know the time bound action being taken by the Department regarding the scheme.

**(Recommendation No.2)**

**Need to take Measures to Popularise City Compost**

The Committee note that for the period 2016-17, a provision of Rs.15 Crore has been made for providing a subsidy of Rs 1500/- per MT as Marketing Development Assistance to the marketing entities on sale of the City Compost which would be passed on to the farmers in terms of reduced MRP. However, at present, no direct incentive/subsidy on compost is being provided to the farmers. The Committee also note that, at the present price, farmers are not very keen to purchase compost, as by paying Rs. 50/- to Rs 60/- extra farmers can purchase a bag of urea which has an immediate impact on the soil. Moreover, compost is considered as a soil conditioner and its impact on the soil would only be visible after continuous use for 2 to 3 years. The Committee were further informed that in order to make city compost cost effective some of the States like Andhra Pradesh are also providing subsidy of Rs. 1000/-. However, not many States are providing the Subsidy on city compost. There is also the problem of storage and in case it is not sold after some time it starts emitting foul smell. To overcome this problem and make the compost economical, the Committee note that the Department has issued the guidelines on 09.01.2017 for release of Marketing Development Assistance (MDA) on direct sale of city compost by compost manufacturers to farmers under the policy on promotion of city compost This will allow compost manufacturers for direct sale to farmers which will bring down the cost of city compost.

The Committee would like to wait for the response of the farmers with regards to new guidelines for selling compost in loose. The Committee are however of the strong view that the city compost is quite overpriced as a reason of which farmers are reluctant to purchase it. Noting the action taken by the Department, the Committee recommend that the Department may

vigorously take up matter with the State Governments and try to convince them to subsidise city compost as part of waste management scheme. The Department should also explore different ways and means of providing exemption from Central or State taxes/ levies on production and sale of city compost. Besides this, the Committee also recommend the Department of Fertilizers, to provide extra subsidy in hilly and difficult terrain like North eastern regions for promotion of the scheme. The Committee would like to be apprised of the action taken in this regard.

**(Recommendation No.3)**

**Need for Central State Co-ordination Mechanism**

The Committee note that the Policy on Promotion of City Compost was notified on 10.02.2016 by the Department which has clearly defined roles of various Departments/agencies. The Department of Fertilizers will provide Market Development Assistance of Rs. 1500/MT to Marketer of City Compost. The Department of Agriculture, Cooperation and Farmers Welfare will carry out Information, Education & Communication (IEC) campaigns to educate farmers on the benefits of city compost. The Agricultural Extension Machineries including Krishi Vigyan Kendras (KVKs) of ICAR will also make special efforts in this regard. The Ministry of Urban Development will take steps to increase setting up of compost plants across all States. The Committee also note that a Committee consisting of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture has been set up to monitor and facilitate availability of adequate compost and to resolve any co-ordination related issue. Considering the requirement of effective co-ordination for the successful implementation of the policy the Committee recommend that the Joint Committee should be upgraded to the level of Secretaries of the concerned Departments. As per the notification, State level Steering Committee for promotion of the scheme has also been provided but the Committee are dismayed to note that as on 06.01.2017, only seven states/ UTs in the country have constituted these Steering Committee. The Committee during its study tour to Gangtok and Kozhikode also noted that the States of Sikkim and Kerala are yet to constitute the Steering Committees. The

Committee are of the strong view that constitution of State Level Steering Committee is imperative for overall success of the policy and therefore, recommend the Department to pursue vigorously and convene regular meetings with those States who have not so far constituted the State level Committees. The Committee would like to be apprised of the action taken in this regard.

**(Recommendation No.4)**

**Need to Develop a model State for Promotion of Policy on City Compost**

The Committee, further note that after the notification of the policy, the Department has set a target of opening up of at least one compost plant in each city by 2nd October, 2019. The Committee strongly feel that a concerted and coordinated efforts is required to implement the policy in a large country like India which has 4000 towns with 500 towns having population of more than 1 lakh. The Committee, therefore, recommend that the Department, as a pilot project should at least try to develop one State as a model State quickly, so that it is emulated by the other States. The Committee desire to be fully apprised of the progress in this regard.

**(Recommendation No.5)**

**Segregation of waste**

The Committee note that segregation of waste at the household level is very crucial for effective implementation of the policy on city compost as the quality of compost depends on quality of segregation by individual household. The Committee, however, are of the view that at present, urban households are not very much aware about the segregation of waste. There is a pressing need for training and awareness generation of the households. In this regard, the Committee note that the Hyderabad Municipal Corporation has launched a two-bin system, wherein, two colored bins have been distributed to households in all wards to encourage the segregation of wet and dry waste. Further, the same is being propagated in public areas as well. The vehicles collecting garbage have also been segregated in the same way. The Committee desire that the Department of Fertilizers along with Ministry of

Urban Development should study the effectiveness of two-bin scheme for segregation of waste as implemented by Hyderabad Municipal Corporation and see the feasibility of replicating it with or without modification in other States as well.

Further, the Committee are of the view that the involvement of the Informal sector waste collectors / rag pickers/ kabariwala (scrap dealer) etc., would improve waste collection and segregation activities and this in turn will give them employment. The Committee, therefore, recommend the Department of Fertilizers to impress upon the State Government/ ULBs / Municipalities to utilize the services of unemployed youth in garbage collection which will not only improve garbage collection and segregation but keep the city clean besides providing them employment.

(Recommendation No.6)

**Need to include CIPET to recycle plastic waste**

The Committee note that at present, the Department of Fertilizers is implementing the policy of promotion of City compost, with the active participation of various agencies like fertilizer companies, ICAR, Krishi Vigyan Kendra etc. However, during the Study Visit of the Committee to Gangtok and Kozhikode, Central Institute of Plastics Engineering & Technology (CIPET) apprised the Committee about its contribution towards Swachh Bharat Abhiyan and technology and laboratories which are being effectively utilized for management of plastic waste. The Committee are of the view that utilizing the services and infrastructure of the CIPET would be beneficial in reduction of City garbage and recycling of Plastic Waste. The Committee, therefore, recommend the Department of Fertilizers should come out with a proposal in coordination with the Department of Chemicals and Petrochemicals and request the Ministry of Urban Development to take up the matter with CIPET for recycling of Plastic Waste. The Committee would like to be apprised of the action taken in this regard.

**(Recommendation No.7)****Status of City Compost Plants**

The Committee note that the Ministry of Urban Development has been assigned the role of setting up of compost plants across all States. At present, 93 compost plants are functional and 283 plants are under construction/ revival stage. The Committee observe that all the States do not have compost plants and also the number of compost plants are not as per the population and size of the State. It was also informed to the Committee, that the Department is making efforts to open city compost manufacturing plants across the country and Rs. 7000 crore projects have been approved since the notification of the policy. By 2<sup>nd</sup> October 2019 one such plant shall be established in each city. Apart from this Ministry of Urban Development is also facilitating the signing of agreement between compost manufacturers, fertilizer companies and Municipal Corporations for sale of compost under the policy. The Ministry is pursuing with various State Governments to revive defunct/ under utilised compost plants by providing subsidy under Swachh Bharat Mission.

The Committee during its study visit to Gangtok noted that Sikkim is yet to be tagged with BVFCL as there is no bulk generation of compost. This will be done as soon as the new compost plant is ready which is expected to be functional by March 2017. Further, by March 2017, 1-MT compost plant at the vegetable market to convert vegetable waste to compost under pilot project sponsored by ICLEI would be set up. However, the Committee were apprehensive about achieving the target by March 2017, as no work has taken place at the ground level. The Committee during its study visit to Kozhikode (Kerala) also noted that its Kochi plant was not functional and Kozhikode plant which was functional with annual capacity of 6000 MTs only. The Committee are unhappy to note the sluggish approach in reviving/ operationalizing the closed compost plants. The Committee therefore recommend that the Department of Fertilizers should vigorously take up this issue with the Ministry of Urban Development and State Governments and assure that opening of new compost plants as per the size of the State and population are accelerated and effective measures are taken up to make dysfunctional compost plants fully

operational at the earliest in a time bound manner. The Committee would like to be apprised of the action taken in this regard.

(Recommendation No.8)

**Marketing of City Compost by Fertilizer Companies**

The Committee note that marketing and promotion of city compost is be done through the existing fertilizer companies through their dealers' network. The mechanism, extent and mode of implementation of such co-marketing depend on levels of compost production, demand generation and other relevant factors as decided by the Department of Fertilizers. For co-marketing of City Compost, the tagging of Cities with fertilizer marketing companies for the purpose of proper utilisation of City Compost produced in the cities has been completed.

As per the data regarding the production and marketing of City Compost obtained from the City Compost manufacturers and marketing companies, most of the fertilizer marketing companies have failed to achieve their marketing target during the period April to August in year 2016-17. Some of the companies i.e. Shriram Fertilizers, Indogulf, MCFL, Greenstar / SPIC, IPL, PPL, KFCL, MFL,NFL,RCF, etc., have done nil marketing of city compost in last few months. The Committee further note that only 14 states have been tagged with Fertilizers companies for the implementation of schemes. Even in these States, most of the fertilizer companies have no marketing presence. The Committee during it study visit to Gangtok also observed that BVFCL has no marketing office or presence in the State of Sikkim and the Company is finding it difficult to implement the policy on promotion of city compost in the region. Similarly, the Committee are dismayed to note that in only four North Eastern States viz. Assam, Arunachal Pradesh, Tripura and Meghalaya marketing of compost is done that too through their own channel, while other North Eastern States are yet to start the city compost unit. As a reason, of which, there is a lack of availability of city compost in the region.

The Committee are of the view that proper marketing of the city compost is vital for effective implementation of the scheme. The Committee, therefore, recommend that the Department may take proactive measures and ensure that

tagging of fertilizers companies with States should be meaningful and companies which do not have marketing network in the State be advised to market the City Compost produced in the State by developing the marketing network. The Committee would like to be apprised of the initiatives undertaken by them in this regard.

**(Recommendation No.9)**

**Need to make city compost nutrient rich**

The Committee are of the strong view that excessive use of Chemical Fertilizers are leading to various life threatening diseases. Thus it is imperative that the Department should promote balanced use of enriched organic fertilizers. In this regard, the Committee were given to understand that the Ministry of Agriculture and Farmers Welfare has notified Phosphate Rich Organic Manure (PROM) as Organic Fertilizer, which is an enriched organic fertilizer. The Committee would like the Department to explore making city compost more valuable by adding primary and micronutrients to city compost. The Committee would like to be apprised regarding the action taken in this regard.

**(Recommendation No.10)**

**Need to connect masses through multi media campaign**

The Committee note that an advertisement on promotion of use of City Compost in the daily local newspapers has been published by the Ministry of Urban Development (MoUD). The Information, Education and Communication (IEC) campaign material is also being provided for publicity through audio spot in Kissan Vani on FM Radio Net Work of AIR, publicity through video spot in Krishi Darshan & DD Kisan and print advertisement in newspapers. The MoUD has launched multi-media campaign i.e. 6 such short films of 30 seconds each targeted at various segments of the society including farmers, students, housewives, etc with a view to increase in the demand for compost in the market. In this regard, the Committee desire the Department to use simple language in the advertisements which is easily comprehensible by the



farmers so as to connect them with the product. The Committee would also recommend the Department to come out with a promotional campaign/advertisement demonstrating significance of city compost in front of the Gram Sabha at the village level. Such an advertisement should also focus as to how the unemployed youth can be gainfully employed by venturing into the business of producing city compost. The Committee would like to be apprised of the action taken in this regard.

**(Recommendation No.11)**

**Measures to Improve Marketing of City Compost**

The Committee note that Ministry of Agriculture and Farmers Welfare has taken up various steps for the promotion of City Compost among farmers. ICAR is carrying out field demonstrations. Advisory has been issued to the State Governments to promote the use of City Compost and to take quality control measures under FCO, 1985 to ensure the supply of good quality city compost to the farmers. However, the Committee during its study visit to Gangtok and Kozhikode observe that there is lack of awareness amongst the farmers and they were reluctant to use city compost in their fields. The Committee are of the view that the Department has to do more to popularize the use of city compost among the farmers. The Committee, therefore, recommend that the Department should come out with some innovative promotional schemes like one bag of compost free on purchase of urea, etc for popularizing the use of city compost. The Committee would like to be apprised of the initiatives undertaken by them in this regard.

**(Recommendation No.12)**

**Need to educate farmers for City Compost**

The Committee note that the fertilizer Companies have adopted 100 villages for carrying out activities for promotion/ demonstration and use of City Compost. These activities include arranging farmers' seminars, visit of local agricultural Officials to create awareness among farmers with active

participation of Department of Agriculture, etc. The Committee, however, are disappointed to note that most of the villages adopted by the companies are concentrated in 12 states only i.e. Haryana, Madhya Pradesh, Maharashtra, Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Assam, Karnataka, Rajasthan, Gujarat and Chhattisgarh. There are 22 companies involved in marketing of city compost, whereas, out of these 22 companies, only 10 companies have adopted the villages for promotion of the use of city compost. The Committee during its study visit to Gangtok also noted that BVFCL has not adopted any village in Sikkim for promotion/demonstration of the usage of City Compost. Moreover, at Kozhikode the Committee observe that FACT is tagged to cities of Kozhikode and Kochi and is carrying out demonstration in 25 acres of land free of cost in the farmers' fields and explaining the benefits of using of compost.

Noting the importance of promotion and demonstration of use of city compost, the Committee recommend the Department to issue strict instructions to all the fertilizer companies who have not adopted villages, to adopt villages immediately and that efforts made by the fertilizer companies in carrying out field demonstrations are accelerated.

The Committee note that Department of Fertilizers has requested Department of Public Enterprises to take appropriate action regarding the use of city compost in PSUs and Central/State Government Departments and agencies. The Committee, therefore, hope that promotion of city compost by setting up compost plants in big township of PSUs and residential complexes of Central and State Government shall be taken up at the earliest. The Committee would like to be apprised regarding the progress made in this regard.

New Delhi;  
06 April, 2017  
16 Chaitra, 1939 (Saka)

Anandrao Adsul  
Chairperson  
Standing Committee on  
Chemicals and Fertilizers

**Annexure-I**

**F. No. 11026/14/2015-M&E**  
**Government of India**  
**Ministry of Chemical & Fertilizers**  
**Department of Fertilizers**

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Shastri Bhawan, New Delhi

Date: 10<sup>th</sup> February 2016

**OFFICE MEMORANDUM**

**Subject: Policy on Promotion of City Compost - regarding**

The undersigned is directed to convey the approval of Government of India for Policy on Promotion of City Compost as given below:

- i. Market development assistance in the form of fixed amount of Rs. 1500 per tonne of City Compost will be provided for scaling up production and consumption of the product.
- ii. Initially, marketing and promotion of city compost will be done through the existing fertilizer companies. In due course, compost manufacturers and other marketing entities recognized by the concerned State Government may also be included for the purpose with the approval of Department of Fertilisers. The market development assistance shall be routed through the entity which is marketing it.
- iii. The Fertilizer marketing companies shall be eligible for on account payment up to 50% only on the basis of first point sale (to the dealer/retailer) at the district level. The balance shall be released on receipt of retailer's acknowledgement in mFMS as well as issue of required certificates relating to quantity and quality issued by the respective State Governments in prescribed forms. In case of other marketing entities including compost manufacturers, if they are involved in promotion and sale of city compost and are duly recognized by concerned State Governments, the modalities for release of subsidy to them may be decided by Department of Fertilisers.
- iv. Fertilizer companies and marketing entities will also co-market City Compost with chemical fertilizers through their dealers' network. The mechanism, extent and mode of implementation of such co-marketing depending on levels of compost production, demand generation and other relevant factors shall be decided by the Department of Fertilizers. The provision of Market Development Assistance as proposed in para (i) to (iii) above, shall, however, not be linked to the issue of co-marketing mentioned above.
- v. The companies will also adopt villages for promoting the use of compost.
- vi. Government Departments and Public Sector undertakings will also use City Compost to the extent possible for their horticulture and related use.

vii. Department of Agriculture, Cooperation and Farmers Welfare will carry out IEC campaigns to educate farmers on the benefits of city compost. The Agricultural Extension Machineries including KVKs of ICAR will also make special efforts in this regard. Agriculture Universities and KVKs will also take up field demonstration activities to the extent possible using City compost to make it popular amongst the farmers. Department of Agriculture, Cooperation and Farmers Welfare will assign targets to the KVKs in this regard.

viii. Ministry of Urban Development will take steps to increase setting up of compost plants across all States.

ix. An appropriate BIS standard/ Eco-Mark will also be developed in consultation with BIS for enabling better market acceptance. It shall be branded appropriately in a way that reflects clearly that particular initiative is part of Swachh Bharat Mission.

x. A joint mechanism will be set up by Department of Fertilizers, Ministry of Urban Development and Department of Agriculture to monitor and facilitate availability of adequate quantity of City Compost at terms mutually agreeable between compost manufacturers and Fertilizer Marketing companies. They will also be authorised to resolve any co-ordination related issue that may arise.

xi. The expenditure towards market development assistance for scaling up production and consumption of City Compost will be met out from the budget provisions for Department of Fertilisers.

2. The policy will be effective from the date of issue of the O.M.

  
(D P Srivastava)

Director to the Government of India  
Tel No.:011- 23389839

- i. All Secretaries of the Central Ministries/Departments
- ii. All Chief Secretaries of the State Government
- iii. Director General, Bureau of Indian Standard, Manak Bhawan, ITO, New Delhi
- iv. Director General, Fertilizer Association of India, 10-Shaheed Jit Singh Marg, New Delhi – 110067
- v. President, Waste Management Association, 4<sup>th</sup> Floor, Gopal Das Bhawan, 28, Barakhamba Road, New Delhi
- vi. All fertilizer Companies
- vii. All Officers/Sections in the Department of Fertilizers and Office of FICC, RK Puram, New Delhi.
- viii. Director (NIC)

Copy to: Shri Anurag Jain, Joint Secretary, Prime Minister's Office, South Block,  
New Delhi

**Annexure-II**

F. No. 11026/14/2015-M&amp;E

**Government of India****Ministry of Chemicals & Fertilizers****Department of Fertilizers**

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Shastri Bhawan, New Delhi

Date: 03.06.2016

**Office Memorandum**

Subject: Procedure for submission of bills for payment/recoveries in respect of sales of City Compost under the Policy on Promotion of the City Compost of the Department of Fertilizers (DOF).

The guidelines on procedure for submission and processing of claims for payment of Market Development Assistance (MDA) of Rs. 1500/MT on sales of City Compost in the matter of implementation of Policy on Promotion of City Compost prescribed hereunder shall be applicable to sales made from the date of issue of this O.M.

**A. Eligibility for Market Development Assistance**

- i. The Market Development Assistance (MDA) for sale of City Compost as per the standards laid down in Fertilizer Control Order at subsidized prices will be paid only through marketing entities. All Urea manufacturers and all P&K fertilizer (including SSP) manufacturers and importers registered under NBS Scheme are eligible for marketing of City Compost. If any Urea manufacturer or P&K fertilizer (including SSP) manufacturer is also producing City Compost, it will also be eligible to market its own City Compost and claim MDA.
- ii. The companies interested to market City Compost is required to submit a letter intimating their willingness to market City Compost along with details of registered manufacturers, with whom purchasing agreement for supply of City Compost has been made and other information as per **Appendix-I** to Department of Fertilizers (DOF). DOF will allot an FMS ID to the company to enable it to upload the quantity of City Compost purchased from the manufacturers and sold to different dealers, the MRP, etc. Uploading of data relating to purchase, sales, MRP etc. is mandatory and the companies are required to generate monthly MDA claims online as is being done for P&K fertilizers and submit the claims to Director (FA), DOF, Udyog Bhawan, New Delhi for processing and arranging payment of MDA.

- iii. Each bag of City Compost should display its constituents as given in FCO, the Brand name of the marketing entities followed by "City Compost promoted under Swachh Bharat Mission", the manufacturers name and other facts as per relevant rules. The bag will also contain logo of Swachh Bharat Mission

## **B. Reasonableness of MRP and printing of MRP on bags**

- i. Though the market price of City Compost will be determined based on demand-supply balance, the fertilizer companies will be required to print Maximum Retail Price (MRP) along with applicable MDA on the fertilizer bags clearly. Any sale above the printed net MRP will be punishable under the EC Act.
- ii. Apart from Market Development Assistance given by the Department of Fertilizers, if any State provides subsidy on City Compost, the MRP will be lowered by the Company to that extent and the subsidy so passed will also be passed on to the farmers in terms of lower MRP.
- iii. The marketing entities are required to print the MRP and applicable MDA along with the subsidy paid by State Govt.(s), if any clearly on each bag of City Compost sold. The marketing entities are also required to upload the same MRP in the FMS/mFMS besides furnishing the MRPs along with subsidy claims for each month.
- iv. Department of Fertilizers will establish appropriate mechanism to examine the reasonableness of MRP to ascertain whether the assistance given in the form of Market development Assistance or State subsidy has been passed on to the consumers. In case, after the examination it is established that the assistance as described above has not been passed on, the same is liable for recovery.

## **C. General Payment Procedure for claiming Market Development Assistance (MDA) under Policy on Promotion of City Compost:**

### **2. Process for release of 'On Account' Payment**

- i. The marketing entities of City Compost are allowed to claim 50% 'On Account' payment of subsidy from DoF for the quantity of City Compost sold at first point sale (to the dealer/retailer) at district level, month-wise, based on the requisite information provided by them in prescribed **Proforma 'A' & 'C'**, duly certified by the authorized signatory as well as the statutory auditor of the Company.
- ii. A copy of the Proforma 'A' and 'C' along with the supporting documents is also required to be submitted by the marketing entities to the concerned State Government (Directorate of Agriculture) in which City Compost has been sold during a particular month, for verification and certification of the sale of City Compost executed by the marketing entity during a particular month. The details of the sales invoices and other supportive documents,

etc. which are to accompany Proforma 'A' & 'C' are to be sent only to the State/UT Governments within 30 days of the calendar month of sales.

- iii. The details of sales entered in FMS are required along with Proforma A & C as annexures.
- iv. The City Compost marketing entities are required to submit the specimen signatures of their authorized signatory as well as the Statutory Auditor along with their name and seal as well as for the manufacturers with whom they have their marketing tie up.
- v. The State Government in which the City Compost plant is located is required to inspect and certify that the quality of the City Compost produced by the unit during a particular month was as per the standards laid down in the FCO.
- vi. The State Government shall also certify that the bags containing City Compost released by the unit also has the stamp of '**Quality Certified**' on each bag.
- vii. The State Government shall issue such certificate in its official stationery as per prescribed Proforma.
- viii. The marketing entity is required to submit a copy of such Certificate issued by the State Government along with the claim for claiming 'On Account' payment for that particular month.
- ix. State Govt. is required to mention clearly the sub-standard quantity of City Compost not eligible for subsidy along with the number of samples and sample number details in Quality Certificate (Proforma B2-CC) issued by them.
- x. The claims processed by Fertilizer Accounts Wing shall be submitted for administrative approval of Joint Secretary, Department of Fertilizers dealing with the subject.
- xi. Thereafter, the claims shall be sent for concurrence of Internal Finance Division (IFD).
- xii. After concurrence by IFD, sanction for the 'On Account' subsidy amount shall be issued by the Fertilizer Accounts Wing.
- xiii. Then P&AO shall release the payment of subsidy as per the prescribed procedure through PFMS.
- xiv. The marketing entities are required to claim 'on account' MDA within two months from the month of sale of City Compost.

### **3. Release of Balance Payment of subsidy:**

- (i) Based on the information provided by the marketing entity in respect of sale of City Compost in a particular month in prescribed Proforma 'A& C' to the States, the State Governments are required to verify the sales of City Compost made by the marketing entity in the State and send the quantity Verification Certificate in prescribed Proforma 'B1-CC' to the Department of Fertilisers as well as to the City Compost marketing entity within 180 days from the date of submission by the marketing entity.
- (ii) If marketing entities submit their claim as per guidelines, the payment of balance MDA on the sale of City Compost shall be released by DoF to the marketing entities based on Proforma 'B1-CC' and Proforma 'B2-CC' issued by the State Governments certifying the quantity and quality of City Compost sold during a particular month and on receipt of retailer's acknowledgement in mFMS.
- (iii) The State Governments are required to certify the quantity and quality of the City Compost sold as such by the marketing entity in a particular month.
- (iv) No part certification is allowed.
- (v) Any quantity found non-standard shall also be mentioned in the Proforma 'B' on which no Market Development Assistance shall be eligible.
- (vi) Based on the submission of Proforma 'B1-CC & B2-CC' by the State Government, the marketing entity becomes eligible to claim balance 50% payment of MDA on the sales of City Compost during a particular month/State.
- (vii) The marketing entity shall claim balance payment of Market Development Assistance in prescribed Proforma 'D'.
- (viii) The Proforma 'D' is also required to be signed by the authorized signatory of the Company as well as by the Statutory Auditor of the Company.
- (ix) The Fertilizer Accounts Wing shall process the claims as per State Government certification in Proforma 'B1-CC & B2-CC'.
- (x) DoF reserves the right to charge interest plus penal interest on that quantity of City Compost, on which MDA has been paid and later on the State Government certified the said quantity or part thereof non-standard or not sold/sold less in Proforma 'B1-CC', at the rate prevalent at the time of processing of the claim.
- (xi) The claims for balance payment of MDA shall be processed by Fertilizer Accounts Wing for administrative approval of the Joint Secretary, Department of Fertilizers.



- (xii) Then, the claims shall be sent for concurrence of Internal Finance Division (IFD).
- (xiii) After concurrence by IFD, sanction for the balance Market Development Assistance amount shall be issued by the Fertilizer Accounts Wing.
- (xiv) Then P&AO shall release the payment of subsidy as per the prescribed procedure through PFMS

**4. Action to be taken by Fertilizer Accounts Wing in respect of delay or non-receipt of Proforma 'B1-CC' certificate:**

- (i) The Fertilizer Accounts Wing would monitor State-wise receipt of Proforma 'B1-CC & B2-CC' and in the event of delay in submission of Proforma 'B1-CC & B2-CC' by State Governments, DoF/Fertilizer Accounts Wing will take up with the State Government to submit Proforma 'B1-CC & B2-CC' at the earliest so that the 'On Account' payment of MDA released to the marketing entity could be settled and the balance payment of MDA could also be released. The City Compost marketing entity should also pursue with the State Governments to submit Proforma 'B1-CC & B2-CC' at the earliest
- (ii) If there is delay of more than 180 days in receipt of Proforma 'B2-CC' from the State Government, the proforma B2-CC will be presumed as deemed receipt of proforma B2-CC and the on account claims would be processed for payment of MDA.
- (iii) The State Governments are required to adopt a well considered system for thorough quantity verification of sales of City Compost in Proforma 'B1-CC' either on random basis or based on some other parameter and the extent thereof may be decided by them after taking into account the manpower and the infrastructure at their disposal for this purpose as also the geographical considerations.
- (iv) The detection of any other violation of provisions/ conditions/ rules & regulations laid down under various laws of the land such as FCO may be reported separately along with the submission of Proforma 'B1-CC & B2-CC'.
- (v) The State Governments are required to send to Fertilizer Accounts Wing, the attested signatures of the authorized signatory who will be signing Proforma 'B1-CC & B2-CC'. If there is any change in the authorized signatory, the attested signatures of such signatory should be sent to Department of Fertilisers.
- (vi) While issuing Proforma 'B1-CC & B2-CC' certificate, State Government are required to ensure that :
  - (a) Affixing of rubber stamp and office seal showing name and designation of authorized official certifying the sales;

- (b) Indication of place and date of signing of Proforma 'B1-CC & B2-CC';
- (c) That the quantity certified in Proforma 'B1-CC' is the final quantity as partial certification for a given month shall not be accepted;
- (d) That the format of the enclosed Proforma 'B1-CC & B2-CC' is neither changed or amended; and
- (e) That Proforma 'B1-CC & B2-CC' is not issued with cuttings or correction.

#### **5. Specimen signatures of authorized signatories/ Statutory Auditor of the Company:**

- (i) All the claims of Market Development Assistance ('On Account' or balance payment) in prescribed Proforma must be signed by the Chief Executive or his authorized signatory of the company.
- (ii) The authorized signatory of the claims should be at least of the rank of the General Manager or the Head of Finance Department or holding equivalent post in the company.
- (iii) The attested signatures of the authorized signatory must be sent to the Fertilizer Accounts Wing, DoF initially immediately before any payment is released and also at the beginning of each financial year.
- (iv) There should be only one authorized signatory for each company.
- (v) Two copies of three specimen signatures of the authorized signatory, duly attested by the Chief Executive of the Company should be sent to the Fertilizer Accounts Wing, DoF after affixing the official seal.
- (vi) Similarly, the specimen signatures along with name and seal of the Statutory Auditor of the Company should also be submitted by the marketing entity to DoF.

#### **6. Payments through public/private sector bank**

Payments shall be made to the marketing entity of City Compost by DoF by credit to any public/private sector bank for which all marketing entities are required to open an account with the Bank. The fertilizer marketing companies are required to register in PFMS system for the purpose of claiming Market Development Assistance.

#### **7. Documentation/ submission of records:**

- (A) The City Compost marketing entity are required to maintain the following records of permanent nature in continuity year after year and which may be made available to the DoF or any organization authorized by DoF for

audit/verification at the time of inspection or whenever otherwise called for:-

- (i) Daily stock registers in form RG-1 showing for each day opening balance, production, quantity dispatched and closing balance.
- (ii) Daily report of production and stock of each product duly authenticated by Manager (Production).
- (iii) Dispatch/stock transfer advice, serially numbered and signed by Manager (sales).
- (iv) Dispatch instructions issued from Headquarters or other controlling entities.
- (v) Gate passes, bearing printed serial numbers together with a register of gate passes issued, showing number and date of the gate pass issued each day and the quantities moved out of the factory on the basis of gate passes (i.e. the daily recapitulation statement).
- (vi) Register of dispatches giving the full particulars of gate pass numbers, date, dispatch/stock transfer advice and the number and date of the letter containing the dispatch instructions, against each entry in the register.
- (vii) Sales invoices should be serially numbered and supported by warehouse delivery note/orders.
- (viii) Sales day book.
- (ix) Delivery Challan issued from headquarter/company's godown or any entities controlling stocks, as also copies of Delivery Challan duly signed by the receiver in confirmation of receipt of consignment.
- (x) Register showing the authorized dealers.
- (xi) Stock Register of raw materials purchased and consumed – separately for indigenous and imported raw materials.
- (xii) Registration/license details obtained from the concerned authorities.

(b) The marketing entities may ensure that the RG-1 register, stock register, gate pass register, raw material register and all other connected records are duly authenticated by the statutory auditors/chartered accountants with name, date, designation and stamp. These records shall also to be signed by the authorized officer of the company. The cuttings, over-writings and insertion of figures in the above records shall be attested by the authorized officer.

## 8. Others

- (i) All references other than in respect of claims, regarding the Fertiliser Accounts Scheme should be sent in a sealed cover to Joint Secretary, Department of Fertilizers, Shastri Bhawan, New Delhi by registered post/speed post.
- (ii) M/o Urban Development is required to submit monthly production details/returns to Research Officer (P&I), Department of Fertilizers, Shastri Bhawan, New Delhi.
  - (i) Marketing entities are required to submit enclosed Quarterly Statement(s) as per applicability, regarding month-wise information on:-
    - (a) Details of opening stock, production, despatches and closing stock (Statement-I).
    - (b) Details of opening stock, receipts, sales & closing stock (Statement-III).
  - (iv) The Department of Fertilizers may, from time to time, call for any additional information from marketing entities as deemed fit for the smooth and efficient implementation of the Scheme.
  - (v) The above guidelines have the approval of the competent authority.
  - (vii) These guidelines have been placed in the web site of the Department of Fertilizers <http://fert.nic.in>

(D P Srivastava)  
Director to the Govt. of India  
Telephone No.: 011-23389839

To

- i. Secretary, Department of Agriculture, Co-operation and Farmers Welfare, Shastri Bhawan, New Delhi
- ii. Chief Secretaries of all States/UTs
- iii. Joint Secretary (PHE), Joint Secretary, Ministry of Urban Development, Nirman Bhawan, New Delhi
- iv. Director (FA), Department of Fertilisers, Udyog Bhawan, New Delhi
- v. Director (Agriculture) of all State Governments/UTs Administration.
- vi. CMD/MD of all fertiliser Companies
- vii. DG, FAI, Shaheed Jit Singh Marg, New Delhi.

- viii. President, Waste Management Association, 4<sup>th</sup> Floor, Gopal Das Bhawan, 28, Barakhamba Road, New Delhi
- ix. All Officers of Department of Fertilisers
- x. Director (NIC)

## Appendix-I

### Details of City Compost Manufacturer

- i. Name of City Compost Manufacturing Company
- ii. Address of City Compost Plant
- iii. Address of registered Office of Manufacturer
- iv. TIN No. of manufacturer
- v. PAN No. of manufacturer
- vi. Name and address of Municipal Body with which Manufacturer has the tie up
- vii. Tenure of the contract between Municipal body and manufacturer
- viii. Input of MSW per day
- ix. Installed capacity (Annual in MT)

**Date:**

**Place:**

**Signature of the Authorized signatory of the Company  
(Name, Designation with seal)**

Proforma 'A' & 'C'

For claiming 'On-account' payment of Market Development Assistance by marketing entities under Policy for promotion of CITY COMPOST.

Claim under notification No. ----- dated -----

To

The Director (FA), Department of Fertilizers, Room No. 473, UdyogBhavan, New Delhi

Sir/Madam,

We hereby submit the claim for "on-account" payment of Market Development Assistance as per the particulars submitted below:

1. Name of manufacturer with address:

2. Name and address of marketing entities, if any

3. Claim for the month: No.....  
Date.....

4. Details of the Claim:

Claim No.	MRP Per M.T. (excluding Local Taxes) (in Rs.)	Name of State/UT in CITY COMPOST has been sold	Net Qty eligible for payment (in MTs) as per Annexure	Rate PMT	Market Development Assistance payable (in Rs.)	.....% of total Market Development Assistance as On-A/c amount payable

5. Total amount of 'On-account' payment of Market Development Assistance being claimed rounded off to .....(amount in words).

6. Certified that the net quantity shown in Column 5 in the above table on which Market Development Assistance is being claimed is on net weight basis and does not include the weight of empty bags and has been sold in the districts as per the attached Annex-I exclusively for supply of the same to the farmers for agricultural use through the approved dealers/State agencies or to the NPK mixture/Customized fertilizers manufactures registered under the Fertilizers Control Order 1985 (FCO) and not for any industrial or any other use. It is certified that the MRP and the Market Development Assistance amount in Rupees per bag has been printed on each bag and the quality of this fertilizer sold is conforming to the FCO specifications. It is also certified that the company is having a valid Fertilizer Registration Certificate/Memorandum of intimation with respect to above sales.

7. It is certified that all the conditions prescribed in the Ministry of Chemicals & Fertilizers (Department of Fertilizers) letter No. ----- dated ----- and guidelines on City Compost have been fulfilled.

8. It is certified that the above-mentioned quantity of City Compost has been sold to the **dealers/state agencies, etc** which have been duly registered with the concerned State authorities.

10. The above mentioned quantity of CITY COMPOST has been sold as per marketing arrangement issued by Department of Fertilizers vide letter No..... dated.....

11. It is certified that the quantity sold as per **Annexure** and the Market Development Assistance claimed is as per column (5) of the table above are not merely a stock transfer in the company itself.

12. It is certified that this CITY COMPOST manufacturer has a well equipped laboratory to test the samples of CITY COMPOST manufactured in the unit and the laboratory was in working condition during the period of production and the quality of CITY COMPOST manufactured/sold as such has been tested in the above laboratory.

13. It is certified that each bag containing CITY COMPOST, manufactured by the unit has been stamped with 'Quality Certified' rate of Market Development Assistance given by Government of India & MRP (including all taxes) on it and then only sold in the market.

14. It is certified that the following quantity of City Compost is sold in various districts.

Sl. No.	Product	State	Received quantity	Quantity under ECA 1955	Normal quantity
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)

Received an amount of Rs.....

**Date:**

**Place:**  
**Company**

**Signature of the Authorized signatory of the**

**(Name, Designation with seal)**

Please pay the Market Development Assistance amount by crediting it in Account Number .....with.....(Name of Bank & Address).....

**For <Name of the Manufacturer/Marketing entities>**

**Date:**

**Place:**  
**Company**

**Signature of the Authorized signatory of the**

**(Name, Designation with seal)**

Copy to: Commissioner/Director(Agriculture) of the State Governments to verify quantity sold and issue Proforma 'B' within one month and send the same to Department of Fertilizers, Government of India, Shastri Bhawan, New Delhi – 110 001

**(Auditor's Report on letter head of Auditor)**

It is hereby certified that the quantities of City Compost supplied by (Name of manufacturers) have been sold in the districts of various States/UTs during the month of .....as per the Appendix-I attached herewith.

2. The City Compost sold by (Name of marketing entities) as shown below are hereby certified after duly examining the sale invoices, sale register, delivery challans, Railway Receipts (RRs) for rail dispatch/Lorry Receipts for road dispatches, Stock Transfer Not (STN) and (specify any other record maintained by the Company)

Sl. No.	Market Assistance with date	Development claim No.	State No.	Quantity MTs	in Remarks, any	if
---------	-----------------------------	-----------------------	-----------	--------------	-----------------	----

3. The quantity dispatched from railhead to the registered warehouse/buffer godown/Dealer's stock point is verified from STN/warehouse stock report. The quantity directly dispatched to the dealers as a sale either from plant or from destination rake point is verified from the delivery orders/invoices/STN.

4. The quantity claimed to have been sold by this marketing entities has also been verified from RG-1 register/production record showing production, books of accounts, stock registers and other relevant records maintained by the company.

**Place:**

**Date:**  
**Company**

**Signature of the Statutory Auditor of the**  
**(Name, Membership No. with seal)**

Appendix-I

Month/Year:

Company Name:

Name of State:

District	Quantity Arrived/received	Quantity sold (*)	Quantity sold To (**)	Preceding month Quantity returned (not eligible for payment)	(Quantity in MTs)	
					Net Quantity eligible	Remarks, it any
1	2	3	4	5	6(4-5)	7

(\*Quantity sold of CITY COMPOST manufactured based on MSW)

(\*\* Name, address and details of dealers registered under Fertilizer Control Order/Institutional agencies/NPK Mixture manufactures/customized fertilizers manufactures to which quantity sold)



For Statutory Auditor

Date:

Authorized Signatory

Place:

Membership No. with seal)

(Name,

Date:

Place:

Name of the Company

Company authorized Signatory

(Name, Designation with seal along with date and place)

**Proforma B1-CC****(Quantity certificate for CITY COMPOST)**

(To be submitted in duplicate by State/UT within 180 days of receipt of Proforma' A & C)

GOVERNMENT OF .....  
COMMISSIONERATE OF AGRICULTURE.....(State)

No.....

Dated:.....

**QUANTITY CERTIFICATE**

To

Joint Secretary

Department of Fertilizers,  
Ministry of Chemicals & Fertilizers  
Government of India,  
Shastri Bhawan  
New Delhi.

(Kind attention: Director (FA), Deptt. of Fertilizers, Room No. 473, E-Wing, Udyog Bhawan, New Delhi)

1. Name of the Manufacturer with full address.....
2. Name of the Marketing entities with full address.....
3. Name of State/Union Territories where product (s) sold.....
4. Claim for the month in which CITY COMPOST was sold in the State/UT.....
5. Bill No..... date ..... of 'On Account' claim as per Proforma 'A&C'
6. Report on the sale of CITY COMPOST in the State:

Sl. No.	Product	Brand	Qty. claimed per Proforma 'A&C' (On claim)	Qty. as sold in the State in Packaged form as per FCO	Cumulative Qty. sold during the financial year	Sub-standard/Short Quantity during the month	Net Quantity Certified as per FCO standard for the month* eligible for Market Development Assistance
1.	2.	3.	4.	5.	6.	7.	8=5-7

1 CITY  
COMPOST-  
P

(\* Quantity sold as well as quality as per FCO sold in the state will be certified by the State Government)

7. It is certified that above statement is correct with regard to sales of CITY COMPOST to dealers registered under the Fertilizers Control Order/ Institutional Agencies (State Marketing Federation (HIMFED) etc.) NPK mixture manufacture/customized fertilizers manufacturers for agricultural purpose/use only), which resulted in physical transfer of stock and ownership during the month/year.....
8. It is certified that..... MTs out of.....MTs of CITY COMPOST claimed to have been sold as per Proforma 'A and C' for the month/year of .....has been found Non standard.
9. It is certified that..... MTs out of.....MTs of CITY COMPOST claimed by the manufacturer/marketing entities to have been sold as per Proforma 'A and C' for the month/year of .....has been found short supplied.
10. It is certified that..... MTs out of.....MTs of CITY COMPOST claimed to have been sold by the marketing entities as per Proforma 'A and C' for the month/year of .....has been sold for other than that of Agricultural purpose (State Marketing/Cooperative Federation like HEMFED etc.) NPK mixture manufacture customized fertilizers manufacturers for agricultural purpose use only and not for industrial and any other use).
11. Certified that bags containing CITY COMPOST sold in the state near the Stamp print Quality certified and the Quality of CITY COMPOST is as per FCO norms.
12. Certified that CITY COMPOST is sold at Maximum Retail Price not more than that printed on each bag of powdered CITY COMPOST/Granulated CITY COMPOST/Boronated CITY COMPOST.

Director of agriculture  
(with Name and Seal)

Place:

Date:

Copy to:

<Claimant Name>

Note: It is mandatory to issue Proforma B-1CC within the period of six months days. The quality certificate (Proforma B-2CC) should be submitted within a period of one month as stipulated to notification no. ----- dated ----- issued by Deptt. of Fertilizers.

**Proforma B2-CC****(Quality Certificate for CITY COMPOST)**

(to be submitted in duplicate by State/UT within 30 days of receipt of Proforma A and C)).

GOVERNMENT OF \_\_\_\_\_  
 COMMISSIONERATE OF AGRICULTURE \_\_\_\_\_ (State)  
 Dated \_\_\_\_\_

No.

Ref No. of B-1S

Dated

**QUALITY CERTIFICATE**

Joint Secretary  
 Department of Fertilizers  
 Ministry of Chemicals & Fertilizers  
 Government of India  
 New Delhi

(Kind attention: Director(FA), Depart.of Fertilizers, Room No. 473, F-Wing, Udyog Bhawan, N.D

1. Name of State/UT \_\_\_\_\_
2. Name of Manufacturers and location \_\_\_\_\_
3. Name of the Marketing entities with address \_\_\_\_\_
4. Date of Inspection \_\_\_\_\_
5. Inspecting Authority (Name in Capital & Designation) \_\_\_\_\_
6. Name of Product \_\_\_\_\_
7. Name of the Brand \_\_\_\_\_
8. Month/Year \_\_\_\_\_
9. Batch/Lot Nos inspected \_\_\_\_\_
10. Quantity test failed if any \_\_\_\_\_
11. Sampling carried out at \_\_\_\_\_

(viz Unit premises/Company's warehouse or godowns/Dealer or Retailer premises)

12. It is certified that the Inspecting Authority mentioned above has inspected the said CITY COMPOST unit on the date mentioned above and has found that a well equipped laboratory as specified under notification No. 1-5-91-Fert Law dated 16<sup>th</sup> April, 1991 and No. 1-1-303-Fert Law dated 12<sup>th</sup> May, 2003 of the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India forming Appendix-3 of the FCO to test the samples of CITY COMPOST is functioning in the said CITY COMPOST unit.
13. It is also certified that the samples drawn as above have been tested as per the guidelines of FCO from the State Government Laboratory or from the Laboratory designated by the State Government and as per the Test Report CITY COMPOST manufactured is of the quality as specified under FCO for CITY COMPOST in Schedule-I
14. It is certified that out of \_\_\_\_\_ number of samples drawn & tested \_\_\_\_\_ number of samples were failed and \_\_\_\_\_ MTs of the fertilizers grade for each failed sample amounting to \_\_\_\_\_ MT shall not be eligible for Market Development Assistance.
15. It is also certified that each bag has been stamped with (a) Quality certified (b) Batch No. \_\_\_\_\_ to (c) Maximum Retail Price (MRP) and (d) Market Development Assistance being given by the Government of India

Director Agriculture  
 (with Name and Seal)

Place:

Date

Copy to  
Claimant Name

Please note that the quality certificate (Proforma-B-2CC) should be submitted within a period of one months as stipulated in Notification No. ----- dated ----- issued by Department of Fertilizers

Proforma 'D'For claiming balance payment of Market Development Assistance (50%) w.r.t. CITY COMPOST

Claim for Balance payment of Market Development Assistance  
 ..... on CITY COMPOST during the month of  
 .....against 'On Account payment of Market Development Assistance received  
 through Bill No. .... Date.....(Bill No. of 'On Account' payment).

To

The Director, FA wing, Room No. 473, E-Wing, Udyog Bhawan, New Delhi

Dear Sir/Madam,

We submit the following claim for payment of balance Market Development Assistance:

1. Name and address of manufacturing Company:
2. Name and address of marketing entities
3. Claim for the month in which product(s) sold .....
4. Details of the claim:

Balance claim No.	State & "On A/c" Claim No.	Qty. as per "On- A/c" claim (Qty. in MTs)	(Quantity in MTs)		Rate of Market Development Assistance applicable ** (in Rs.)	Total amount payable (in Rs.)	"On A/c" ....% of total Market Development Assistance already received (in Rs.)	Balance (%) payable (in Rs.)
			Sub-standar d/short supply (Qty. in MTs)	Qty. sold and eligible for payment (Qty. in MTs)				
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(5)x(6)	(8)	(9)=(7)-(8)
Total								

5. Total amount of balance payment of NBS claimed being rounded off to ..... (Amount in words)

6. It is certified that the quantity shown in Col.5 above has been sold as per the guidelines issued from ..... time to time by Department of Fertilizers. The above information is based on the proof in respect of sales for the relevant month and is verified from the sale orders, delivery challans and sale invoices/sale bills.

7. The company undertakes that in case any quantity is short certified or the quantity of fertilizer is found to be sub-standard by the concerned State/Union Territory Government (s) as per Proforma 'B1-CC' then the company is liable to refund the amount along with panel interest to this Department as per the provisions of letters No. .... date .....

8. It is certified that all the conditions prescribed in the Department of Fertilizer's letter No. .... dated ..... and guidelines dates ..... have been complied.

Place:  
Statutory Auditor of the Company  
Date:  
Membership No. with seal)

Signature of the  
  
(Name,

Received an amount of Rs.....

Place:  
Company Name with seal  
Date:  
Signatory of the Company

Signature and name/designation of the Authorized

Please pay the Market Development Assistance amount of Rs.  
.....bye crediting it in Account  
Number.....(specify Bank name branch and  
address).....

Place:  
Company Name with seal  
Date:

Signature and name/designation of the Authorized  
Signatory of the Company

## Annexure-III

Name of Company	Village adoption status	Name village
NFL	10 villages adopted in Haryana and MP.	Chhapera, Tapkan, Tai, Nailad-Dist. Nuh, Basam-Dist. Rohtak, Burani kheri, Daulat Baroda in Indore, Tajpur in Dhar and Budhana & Ratan kheri in Dewas.
RCF	10 Villages adopted in Maharashtra	Koregaon in Ahmednagar and Wagdara, in Wardha, Dindoriin Nashik, Netwad in Pune, Ujjani-Solapur, Mahalgaon in Nagpur, Pimpalgaon in Chandrapur, Tedha in Gondia, Bavdhan in Satara, Jamb in Bhandara
MFL	10 villages in TN adopted	Pidagam and Ranganathapuram in Vilupuram, Vellalapati in Salem, Pallavadi in Dharampuri, Chekkapatty in Dindugal, Kevulur in Madurai, Ko Ponneri in Cuddalore, Asokkadu in in Nagapattinam, Kodyialam in Trichy, Kilarasampattu in Vellore, Udaiyanandhal in Tiruvannamalai, Baluchettichatram in Kanchipuram.
FACT	10 Village adopted in Kerala, TN, AP, Telingana and Karnataka	Kualthoor in Trivandrum, Kanjikuzhy I Alleppey, Ramanattukara in Calicut, Kadannapally in Kannur -(Kerala), Adasolai in Nilgiri, Sirugamani in Trichy-(Tamil nadu), Mulkalagudem in Warangal (Telingana), Kallur in Ananthpur (AP), Hosalli in Bangalore rural, Hebblaguppa in Mysore - (Karnataka)
BVFL	10 Village adopted in Assam	Mairajhar Pathar in Baksa , Kawaimari, Santijanin Nagaon, Jurshimuli in Kamrup, Amguri in Bongaigaon, Haddemara in Dhubri, Mahmari, Joypur in Dibrugarh, Rohan Bharaliphukhri, Japihola in Sibsagar.
NFCL	10 villages in AP adopted	Maddipalli, Obulapuram, Dosaledu, Kadavakallu, Ramalingaiah palli, Dhummanagari palli, abbuchintala palli, Nallapa reddipalli, unaganapalli, Lingala
Sri Ram Fertilizers	10 villages - 5 in Haryana and 5 in Rajasthan adopted	Karnavas, Jati, Rajpura, Baldhan, Kakodya in Rewari (Haryana) and Umrain, Sodanpura, Machadi, Alapur, Dhawala in Alwar (Rajasthan)
KRIBHCO	10 villages in UP/Haryana/MP/Karnatak a/Maharashtra/Gujarat/A P/Chhatisgrah adopted	Forozpur Rajput in Palwal, Hittala in Shivmoga, Manda in Raisen, Parsahi in Balod, Nagla kamal in Moradabad, Laddpur in Bulandsahar, Bavdhan in satara, Choudhary chetramwala in Sri ganganagar, Mawali in Badodara, Jangamgudem Devergunta in Krishna
GNFC	10 villages in Gujarat adopted	Kavita, Nicora, Raima, Itkala in Bharuch, Utaraj in Vadodara, Magodi in Gandhinagar, Zaimor in Banaskantha, Bilya in Patan, Ranakpur in Surendernagar, Prabhatpur in Junagarh,
CFCL	10 villages in Jaipur district of Rajasthan adopted	ANATPURA, CHIMANPURA, SHYAO, DOBLAI, SINGOD, NIWANA, DEVTHALA, ITAWA BHOPJI, CHARANGWAS, UDAPURIA



**Annexure-IV**

**F. No. 11026/26/2016-M&E**  
**Government of India**  
**M/o Chemicals and Fertilizers**  
**D/o Fertilizers**  
 \*\*\*\*\*

Shastri Bhawan, New Delhi  
 Dated: 10<sup>th</sup> May 2016

**OFFICE MEMORANDUM**

**Subject:** Constitution of State Level Steering Committee on City Compost.

The Department has notified a Policy on Promotion of City Compost and a copy of the same has already been circulated to all the States/UTs for necessary action (copy enclosed). For inter departmental coordination, it would be desirable that State level Committee is constituted for promotion of the scheme.

2. Accordingly, it has been decided to constitute a State Level Steering Committee for promotion of City Compost. The Composition of the Committee would be as follows:

- I. Principal Secretary/Secretary, D/o Urban Development (Local Self Government) - Chairman
- II. Principal Secretary/ Secretary – D/o Agriculture – Co-Chairman
- III. Mission Director, Swachh Bharat (Urban) - Convenor
- IV. Commissioner/Director, Agriculture - Member
- V. Commissioner/Director (Horticulture) - Member
- VI. Municipal Commissioner of Capital City – Member
- VII. 2 Municipal Commissioners from the Cities where compost plant is functional – Members
- VIII. Managing Directors/ Chief Executive Officers of the Fertilizer Companies operating in the State – Members

3. The terms of reference of the Committee would be as follows:

- I. Tagging the city compost producing units with the fertilizer marketing companies for co-marketing as per policy notification.
- II. Finalize the strategy for promoting usage of city compost in agriculture/horticulture activities.
- III. To monitor MRP of city compost being sold in the State under the notified policy.
- IV. Prepare and implement the action plan for achieving 100% processing of municipal waste

- V. To monitor issue of necessary certificates by concerned agency in the State Government to facilitate release of Market Development Assistance to fertilizer companies
  - VI. To closely monitor the production of FCO compliant city compost and extend all necessary support to cities to achieve the above
4. The Steering Committee shall meet on fortnightly basis to analyze the development in regard to compost promotion and distribution.
  5. This issues with the approval of Secretary (Fertilisers).

Enclosure: As stated above

(S K Lohani)  
Joint Secretary

To

- i. Joint Secretary(SBM), M/o Urban Development, Nirman Bhawan, New Delhi
- ii. Joint Secretary(INM), D/o Agriculture, Cooperation and farmers Welfare, Krishi Bhawan, New Delhi
- iii. Principal Secretary, D/o Urban development of all the States/UTs
- iv. Principal Secretary, D/o Agriculture of all the States/UTs

Copy to:

- i. Chief Secretary of all the States/UTs

**MINUTES OF THE SECOND SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2016-17)**

The Committee sat on Thursday, the 13 October, 2016 from 1500 hrs. to 1630 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Anandrao Adsul - Chairperson

**MEMBERS**

**LOK SABHA**

2. Smt. Anju Bala
3. Shri B. N. Chandrappa
4. Shri Shankar Prasad Datta
5. Shri R. Dhruvanarayana
6. Shri Innocent
7. Shri K. Ashok Kumar
8. Shri Chhedi Paswan
9. Shri S. Rajendran
10. Shri Kotha Prabhakar Reddy
11. Dr. Kulamani Samal
12. Dr. Krishna Pratap Singh
13. Smt Rekha Arun Verma

**RAJYA SABHA**

14. Shri Prem Chand Gupta
15. Shri Narayan Lal Panchariya
16. Shri Abdul Wahab

**SECRETARIAT**

- |    |                       |   |                     |
|----|-----------------------|---|---------------------|
| 1. | Smt. Rashmi Jain      | - | Joint Secretary     |
| 2. | Shri A. K. Srivastava | - | Director            |
| 3. | Shri H. Ram Prakash   | - | Additional Director |
| 4. | Shri Nishant Mehra    | - | Under Secretary     |

**List of Witness**

**Department of Fertilizers**

1. Shri Vijay Shankar Pandey Secretary
2. Shri Gajendra Bhujwal Additional Secretary & Finance  
Advisor

- |    |                          |                        |
|----|--------------------------|------------------------|
| 3. | Dr. A. K. Padhee         | Joint Secretary (AKP)  |
| 4. | Shri Sushil Kumar Lohani | Joint Secretary, (SKL) |

### **REPRESENTATIVES FROM OTHER MINISTRIES / DEPARTMENTS**

- |    |                      |  |
|----|----------------------|--|
| 1. | Shri R. K. Chaudhry  | Joint Secretary (DPE)                  |
| 2. | Shri Parveen Prakash | Joint Secretary, M/o Urban Development |
| 3. | Dr. P. P. Biswas     | Pr. Scientist, ICAR                    |
| 4. | Smt. Vandana Dwivedi | ADC, M/o Agriculture                   |

### **PSU/ AUTONOMOUS INSTITUTIONS**

- |    |                         |   |
|----|-------------------------|---|
| 1. | Shri Manoj Mishra       | CMD, RCF/NFL  |
| 2. | Shri Jaiveer Srivastava | CMD, Fertilizer and Chemicals of Travencore Ltd. (FACT) |
| 3. | Shri A. B. Khare        | CMD, Madras Fertilizers Limited (MFL)                   |

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and representatives of the Ministry of Chemicals & Fertilizers (Department of Fertilizers) and other officials to the sitting. Their attention was invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings.

3. After the witnesses introduced themselves, the Joint Secretary of the Department of Fertilizers made power point presentation to the Committee. During the discussion, the Hon'ble Chairperson and Members of the Committee raised queries on marketing and promotion of city compost across the country and also suggested various ways to reduce the manufacturing cost of compost from city waste and to promote city compost among farmers. The Committee also emphasized on need to open city compost manufacturing plant across the country.

4. The Committee thereafter decided to undertake a study tour to Gangtok, Kolkata, Mumbai and Diu from 04 to 09 November, 2016. The Committee also decided to hold the next sitting on 26 October, 2016.

5. The Chairperson thanked the witnesses for appearing before the Committee as well as for furnishing valuable information to the Committee.

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

*The Committee then adjourned.*

**MINUTES OF THE SIXTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2016-17)**

The Committee sat on Friday, the 6 January, 2017 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Anandrao Adsul - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri George Baker
3. Smt. Anju Bala
4. Shri B. N. Chandrappa
5. Shri Shankar Prasad Datta
6. Shri R. Dhruvanarayana
7. Shri K. Ashok Kumar
8. Shri S. Rajendran
9. Shri Kotha Prabhakar Reddy
10. Dr. Kulamani Samal
11. Dr. Uma Saren
12. Shri Tasleemuddin
13. Smt Rekha Arun Verma
14. Shri Kirti Vardhan Singh
15. Dr. Ratna De (Nag)

**RAJYA SABHA**

16. Shri Prem Chand Gupta
17. Shri Narayan Lal Panchariya

**SECRETARIAT**

- |    |                       |   |                     |
|----|-----------------------|---|---------------------|
| 1. | Smt. Rashmi Jain      | - | Joint Secretary     |
| 2. | Shri A. K. Srivastava | - | Director            |
| 3. | Shri H. Ram Prakash   | - | Additional Director |
| 4. | Shri Nishant Mehra    | - | Under Secretary     |

**LIST OF WITNESS**

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

- |    |                         |                       |
|----|-------------------------|-----------------------|
| 1. | Smt. Bharathi S. Sihag  | Secretary (F)         |
| 2. | Smt. Meenakshi Gupta    | AS&FA                 |
| 3. | Sh. Sushil Kumar Lohani | Joint Secretary (SKL) |
| 4. | Sh. Kuntal Sensarma     | E. A.                 |

**II. REPRESENTATIVES FROM OTHER MINISTRIES / DEPARTMENTS / STATE GOVERNMENT**

- |    |                             |                             |
|----|-----------------------------|-----------------------------|
| 1. | Smt. I Ranikumudani         | Joint Secretary (INM), DAC  |
| 2. | Smt. Rajani Taneja          | Deputy Secretary (INM), DAC |
| 3. | Shri Sharath Kumar Pallerla | Director (MOEFCC)           |

- |     |                              |   |
|-----|------------------------------|---|
| 4.  | Shri A.S. Bhal,              | Adviser, D/o PE   |
| 5.  | Shri Saurabh Jain            | Addl. Mission Director, Ministry of<br>Urban Development  |
| 6.  | Shri G.L. Meena              | Scientist 'G' , M/o N&RE  |
| 7.  | Dr. S.K. Chaudhari           | ADG, ICAR   |
| 8.  | Shri A.B. Akolkar            | Member Secretary, CPCB  |
| 9.  | Dr. K. Vasuki                | State Mission Director, Kerela  |
| 10. | Shri Satish Kumar Sadhasivam | Tech. Officer, <i>Central Public Health and<br/>Environmental Engineering<br/>Organisation (CPHEEO)</i> |

### III. **REPRESENTATIVES FROM PSUs**

- |    |                   |                     |
|----|-------------------|---------------------|
| 1. | Shri Manoj Mishra | CMD, RCF/NFL        |
| 2. | Shri A.B. Khare   | CMD, FACT/MFL       |
| 3. | Shri S.D. Singh   | Dir. (Prod.), BVFCL |

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and representatives of the Ministry of Chemicals & Fertilizers (Department of Fertilizers) and other officials to the sitting. Their attention was invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings.

3. After the witnesses introduced themselves, the representatives of Ministry of Urban Development showed Audio-Visual Advertisements for promotion on the use of city compost and made power point presentation on the subject to the Committee. During the discussion, the Hon'ble Chairperson and Members of the Committee raised various queries regarding status of the units operational in the north-eastern States, huge landfills in the cities, segregation of waste, and pricing issues of the city compost. Members emphasized the need to educate farmers regarding benefits of using city compost and also to subsidise the cost of city compost to make it attractive to the farmers. The Committee also suggested to the Department to develop one State as a model state for promoting the use of city compost so that the same Model can be emulated by the other states as well. They also asked the Department to make use of biogas in the city compost project.

4. The Chairperson thanked the witnesses for appearing before the Committee as well as for furnishing valuable information to the Committee.

5. A copy of the verbatim record of the proceedings of the sitting has been kept.

*The Committee then adjourned.*

**MINUTES**

**MINUTES OF THE THIRTEENTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2016-17)**

The Committee sat on Thursday, the 06<sup>th</sup> April, 2017 from 1500 hrs. to 1530 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

Shri Anandrao Adsul - Chairperson

**Members****Lok Sabha**

2. Shri George Baker
3. Smt. Anju Bala
4. Shri Sankar Prasad Datta
5. Smt. Veena Devi
6. Smt. Kamla Devi Patle
7. Dr. Kulamani Samal
8. Shri Kirti Vardhan Singh
9. Shri Pankaj Chaudhary)
10. Dr. (Smt.) Ratna De (Nag)

**Rajya Sabha**

11. Shri K. Parasaran

**Secretariat**

- |    |                      |   |                 |
|----|----------------------|---|-----------------|
| 1. | Smt. Rashmi Jain     | - | Joint Secretary |
| 2. | Shri A.K. Srivastava | - | Director        |
| 3. | Shri Nishant Mehra   | - | Under Secretary |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee.

3. The Committee, thereafter, took up for consideration and adoption of draft report on the subject, 'Implementation of Policy on Promotion of City Compost' of the Ministry of Chemicals and Fertilizers (Department of Fertilizers).

4. After a brief discussion on the contents of the report, the draft Report was adopted by the Committee with some minor modifications.

5. The Committee authorised the Chairman to make consequential changes, if any, arising out of the factual verification of the Report by the Department of Fertilizers of the Ministry of Chemicals and Fertilizers and present the same to both the Houses of Parliament.

*The Committee then adjourned.*