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**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2020-21)**

SEVENTEENTH LOK SABHA

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

[Action Taken by the Government on the Observations / Recommendations contained in the Third Report of the Standing Committee on Chemicals and Fertilizers (Seventeenth Lok Sabha) on "Demands for Grants" of the Ministry of Chemical and Fertilizers (Department of Fertilizers)]



TENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

SEPTEMBER, 2020 / BHADRAPADA, 1942 (SAKA)

REPORT

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(2020-21)

(SEVENTEENTH LOK SABHA)

MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF FERTILIZERS)

[Action Taken by the Government on the Observations / Recommendations contained in the Third Report of the Standing Committee on Chemicals and Fertilizers (Seventeenth Lok Sabha) on "Demands for Grants" of the Ministry of Chemical and Fertilizers (Department of Fertilizers)]



*Presented to Lok Sabha on 11.2.2021
Laid in Rajya Sabha on 11.2.2021*

LOK SABHA SECRETARIAT
NEW DELHI

FEBRUARY, 2021/MAGHA, 1942 (SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2019-20)**

Smt. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2	Shri Maulana Badruddin Ajmal
3	Shri Ramakant Bhargava
4	Shri Prataprao Govindrao Patil Chikhalikar
5	Shri Rajeshbhai Naranbhai Chudasama,
6	Shri Ramesh Chandappa Jigajinagi
7	Shri Kripanath Mallah
8	Shri Satyadev Pachauri
9	Smt Aparupa Poddar
10	Shri Arun Kumar Sagar
11	Shri M. Selvaraj
12	Shri Pradeep Kumar Singh
13	Shri Uday Pratap Singh
14	Shri Nandigam Suresh
15	Er. Bishweswar Tudu
16	Shri H. Vasanthakumar
17	Shri Prabhubhai Nagarbhai Vasava
18	Dr. M.K Vishnu Prasad.
19	Shri Deepak Baij
20	Dr. Manoj Rajoria
21	Shri Shriniwas Dadasaheb Patil

RAJYA SABHA

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaque Karim
25	Shri Vijay Pal Singh Tomar
26	Shri Arun Singh
27	Shri P. Selvarasu^
28	Shri A.D. Singh^
29	Shri K. Vanlalvena^
30	Vacant*
31	Vacant

SECRETARIAT

1.	Shri Manoj K. Arora	-	Officer on Special Duty
2.	Shri A.K. Srivastava	-	Director
3.	Shri C. Kalyanasundaram	-	Additional Director
4.	Shri N. Amarathiagan	-	Under Secretary

^Nominated to the Committee w.e.f 22.07.2020.

**Shri Amar Singh expired on 01.08.2020.*

**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2020-21)**

Smt. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2	Shri Maulana Badruddin Ajmal
3	Shri Deepak Bajj
4	Shri Ramakant Bhargava
5	Shri Prataprao Govindrao Patil Chikhalikar
6	Shri Rajeshbhai Naranbhai Chudasama,
7	Shri Ramesh Chandappa Jigajinagi
8	Shri Pakauri Lal
9	Shri Kripanath Mallah
10	Shri Satyadev Pachauri
11	Smt Aparupa Poddar
12	Dr. M.K.Vishnu Prasad
13	Shri Atul Kumar Singh alias Atul Rai
14	Shri Arun Kumar Sagar
15	Shri M. Selvaraj
16	Shri Pradeep Kumar Singh
17	Shri Uday Pratap Singh
18	Shri Indra Hang Subba
19	Shri Er. Bishweswar Tudu
20	Shri Prabhubhai Nagarbhai Vasava
21	Dr. Sanjeev Kumar Singari#

RAJYA SABHA

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaque Karim
25	Shri M.V. Shreyams Kumar
26	Shri Jaiprakash Nishad
27	Shri Anthiyur P. Selvarasu
28	Shri Arun Singh\$
29	Shri A.D. Singh
30	Shri Vijay Pal Singh Tomar
31	Shri K. Vanlalvena

SECRETARIAT

- | | | | |
|----|-------------------------|---|-------------------------|
| 1. | Shri Majoj K. Arora | - | Officer on Special Duty |
| 2. | Shri A.K. Srivastava | - | Director |
| 3. | Shri C. Kalyanasundaram | - | Additional Director |
| 4. | Shri Panna Lal | - | Under Secretary |

\$Re-nominated to the Committee w.e.f. 23.12.2020.

#Nominated to the Committee w.e.f.28.12.2020 vice Shri Nandigam Suresh.

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2019-2020) having been authorised by the Committee to submit the Report on their behalf, present this Tenth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the observations/ recommendations contained in the Third Report (Seventeenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers (2019-20) on Demand for Grants (2019-20) pertaining to the Department of Fertilizers .

2. The Third Report (Seventeenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers was presented to Lok Sabha on 12.12.2019 and laid in Rajya Sabha on 12.12.2019. The Action Taken replies of Government to all observations / recommendations contained in the Report were received on 18.02.2020. The Standing Committee on Chemicals and Fertilizers (2019-20) AND (2020-21) considered and adopted this Report at their sittings held on 11.08.2020 and 12.10.2020, respectively.

3. An analysis of the Action Taken by the Government on the observations/recommendations contained in the Tenth Report (Seventeenth Lok Sabha) of the Committee is given in **Appendix-II**.

4. For facility of reference and convenience, the further Comments of the Committee have been printed in bold letters in **Chapter-I** of the Report.

New Delhi;
8 February, 2021
4 Magha, 1942 (Saka)

KANIMOZHI KARUNANIDHI
Chairperson
Standing Committee on
Chemicals and Fertilizers

REPORT CHAPTER – I

This Report of the Standing Committee on Chemicals and Fertilizers (2019-20) deals with the action taken by the Government on the Observations/ Recommendations contained in the Third Report (17th Lok Sabha) of the Committee on Demands for Grants (2019-20)' of the Ministry of Chemicals and Fertilizers (Department of Fertilizers) which was presented to Lok Sabha on 20.12.2019. In all, the Committee made 17 Observations/ Recommendations in the Report.

1.2 The Ministry of Chemicals & Fertilizers (Department of Fertilizers) were requested to furnish replies to the Observations/ Recommendations contained in the Third Report within three months from the date of presentation of the Report, i.e. by 20.03.2020. The Action Taken Replies of the Government in respect of all the 17 Observations/ Recommendations contained in the Report have been received from the Ministry of Chemicals and Fertilizers (Department of Fertilizers) *vide* their O.M. **No.14(2)/2019-Fin.I dated 18.2.2020**. These Replies have been examined and categorized as under:-

- (i) Observations/Recommendations that have been accepted by the Government-
Rec. Nos. 1, 3, 7, 9, 12 & 13 (Total 06).
(Included in Chapter-II of the Report)
- (ii) Observations/Recommendations which the Committee do not desire to pursue
in view of the Government's reply-
Rec. Nos. 5 & 11 (Total 02)
(Included in Chapter-III of the Report)
- (iii) Observations/Recommendations in respect of which reply of the Government
have not been accepted by the Committee and which require reiteration-
Rec. No. 4, 8 & 10 (Total 03)
(Included in Chapter-IV of the Report)
- (iv) Observations/Recommendations in respect of which final replies of the
Government are still awaited-
Rec. Nos. 2, 6, 14, 15, 16 & 17 (Total 06)
(Included in Chapter-V of the Report)

1.3 The Committee desire that the Action Taken Notes on the Observations/ Recommendations of the Committee contained in Chapter-I of this Report and the Final Replies in respect of Observations/ Recommendations contained in Chapter-V for which final replies are still awaited, should be furnished expeditiously.

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

(Recommendation No.1)

Inadequate Funds Allocation in Budget Estimates for 2019-20

1.5 The Committee had made the following observations / recommendations with regard to budget allocations for the Department for 2019-20 :-

“The Committee note that a budgetary allocation of Rs.83515/- Crore including Revenue Expenditure of Rs.83514.95 and Capital Expenditure of Rs.0.05/- crore has been made in respect of Demand No.6 pertaining to Department of Fertilizers for the year 2019-20. The Committee observe that the Department of Fertilizers was allocated BE of Rs.78515.00/- Crore in the interim budget 2019-20 against the projected demand of Rs.100633.43/- Crore. Since there was a gap of Rs.32932.37/- Crore in the allocation of fertilizer subsidy, Department of Fertilizers took up case for enhanced budgetary allocation. Subsequently, Ministry of Finance in June 2019 provided Rs.5000/- Crore in BE allocation raising the subsidy budget to Rs.83466/- Crore and the overall budget of the Department became Rs.83515.00/- Crore. As compared to RE of Rs.73482.74/- Crore in 2018-19, the BE of Rs.83515 Crore made for the current year for the Department shows an increase of 13.65%. The Committee also note that the Department has no proposal to launch any new scheme or close any of the existing schemes during the current year. However, the Committee are dismayed to note that the enhanced BE of Rs.83515.00/-Crore is still considered inadequate as there remains a gap of Rs.27932.27 Crore in the subsidy budget. Against the backdrop of huge budgetary gap of Rs.27932.27 Crore, the Committee record their unhappiness over inability of the Department of Fertilizers in convincing Ministry of Finance to make adequate BE allocations to the Department during the last three financial years. The Committee express the opinion that the aforesaid budgetary gap will eventually result in delayed payment to fertilizers companies and thereby adversely affect their financial performances. The Committee, therefore, strongly recommend that the Department of Fertilizers shall make sincere efforts to bring down the nagging gap in the subsidy budget of the Department year after year due to inadequate BE allocations and convince Ministry of Finance to make supplementary allocations for 2019-20 and make adequate BE allocations in the coming years for the Department so that all stake holders in the fertilizer sector get the benefits of fertilizer subsidy schemes without much constraints.”

1.6 The Department of Fertilizers, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

Reply of the Government

“At RE 2019-20 stage, the projection of Rs 127725.67 crore was made after adjusting revised recoveries on account of import of fertilizers (Rs 3840.00 Crore) but no additional allocation has been made by the Ministry of Finance.

A supplementary Demand for Grants for an amount of Rs 48051.00 crore was sent in the 1st batch of Supplementary Demand for Grants but the same was also not provided by the Ministry of Finance.

Subsequently, in the 2nd Batch of Supplementary Demands for 2019-20, a requirement of Rs.51707.23 Crore has been projected in view of additional requirement of 22 LMT of Urea to meet the demand of ensuing Rabi Season, as

projected by Department of Agriculture and Cooperation & Farmers' Welfare (DAC&FW).

This Department is impressing upon Ministry of Finance time and again regarding the requirement of additional funds, however, that Ministry has shown its inability to agree to request of this Department.

Separately, this Department has taken up the matter with Ministry of Finance to agree to Special Banking Arrangement (SBA) to the tune of Rs 27551.59 crore for payment of bills in Indigenous Urea and P&K Fertilizers for the period from November 2019 to March, 2020."

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

1.7 The Committee are dismayed to note that during 2019-20, the Department of Fertilizers projected twice its case for Supplementary Demand for Grants but the Ministry of Finance did not accede to the requests of Department of Fertilizers. The Committee, therefore, express their dissatisfaction and direct the Department of Fertilizers to convey the concerns expressed by this Committee to the Ministry of Finance and would also like to know from that Ministry the reasons for non-allocation of additional funds to the Department of Fertilizers during 2019-20. The Committee also note that BE for fertilizer-subsidy for the financial year 2020-21 is Rs.73974.95 crore against the Revised Expenditure of Rs.83514.95 for 2019-20. The Committee have also learnt that as on 04-02-2020, the carry-over liabilities of the Department of Fertilizers on account of fertilizers-subsidy was to the tune of Rs.43,483/- crore and it might increase further at the end of the financial year 2019-20. The Committee have been informed that the Department of Fertilizers has taken up with the Ministry of Finance to agree to Special Banking Arrangement (SBA) to the tune of Rs.27551.59 crore for payment of bills in respect of indigenous urea and P&K Fertilizers for the period from November 2019 to March, 2020. The Committee, therefore, desire that the Department of Fertilizers shall furnish the details regarding carry-over liabilities under different fertilizers-subsidy accounts at the end of 2019-20 and the extent of use of Special Banking Arrangement (SBA) against liabilities at the end of 2019-20. Further, the Department of Fertilizers should conduct a comprehensive study on adverse impact of lower budgetary allocation on fertilizers producers, prices of fertilizers, functioning of production and supply system and the Ministry of Finance be apprised of the findings of the said study report so as to enable that Ministry to make adequate amount of budgetary allocation to the Department of Fertilizers.

(Recommendation No.4)

Size of Fertilizer Bags

1.8 The Committee had made the following observations / recommendations with regard to size of urea bags made available in the country :-

“The Committee have taken note that urea is being supplied in 45 Kg bags and 50 Kg bags. As regards P&K fertilizers, producers can sell the P&K fertilizers in smaller bags depending on their commercial decision. The Department of Agriculture, Cooperation & Farmers Welfare vide letter dated 16.1.2013 has already allowed the sale of DAP, MOP, Complexes, Fortified fertilizers and customized fertilizers in a bag of 5 Kg, 10 Kg, 25 Kg and 40 Kg besides conventional bag size of 50 Kg. The need for marketing of smaller sized size fertilizers bags was highlighted by the farming community to the Committee during the study visit of the Committee to Dharamshala in June, 2018. The Committee taking into account the affordability of poor farmers, recommend that the Department of Fertilizers, besides ensuring availability of smaller fertilizers bags for NBS covered P&K fertilizers, shall also take steps for smaller urea bags instead of 50 & 45 Kg bags, presently available, smaller bag(s) may be arranged in place of 45 kg bag.”

Reply of the Government

1.9 The Department of Fertilizers, in their Action Taken Reply has stated as under :-

While examining the feasibility of introduction of of 45kg bag of urea instead of 50 kg bag, DAC&FW vide OM dated 09th February 2017 had recommended the introduction of small quantity fertilizer bags of 2kg, 5kg, 10kg, 25kg and 45kg with proportionate decrease in the MRP of such bags. However, it was observed that the cost of bag is a pass through item and is reimbursed to urea manufacturing units in the form of subsidy. The increase in number of bags with the introduction of smaller quantity of bags, used per MT for packing purpose would increase the bag norms as the number of bags would also be increased. Therefore, the introduction of smaller bags of urea would ultimately lead to increase in bag subsidy.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

1.10 **The Committee, taking into account the affordability of poor farmers, had *inter-alia* recommended that the Department of Fertilizers should take steps for introduction of smaller urea bags instead of 50 & 45 Kg bags and that smaller bag(s) may be arranged in place of 45 kg bag. In the Action Taken Reply of the Department of Fertilizers, it has been conveyed that the cost of bag is a pass through item and is reimbursed to urea manufacturing units in the form of subsidy. The increase in number of bags with the introduction of smaller quantity of bags, used per MT for packing purpose would increase the bag norms as the number of bags would also be increased. Therefore, the introduction of smaller bags of urea would ultimately lead to increase in bag subsidy. The Committee are constrained**

to note the reply given by the Ministry that the introduction of smaller bags would lead to increase in bag subsidy which is not a logical one. In Committee's view, it would be more logical to provide subsidy to fertilizer companies based on the quantum of fertilizer sold by them rather than on the basis of number of bags. Large number of small and marginal farmers of the country who are engaged in small scale farming viz. vegetable growing, horticulture, etc. require urea in smaller quantities viz. 5 / 10 / 15 / 20 / 25 Kgs etc., whereas the standard size of urea bag presently being marketed is 45 / 50 Kgs. As such, the farmers are forced to buy 45/50 kg bag of urea eventhough they do not require that much quantity of urea. This situation leads to unnecessary expenditure to small and marginal farmers and also the wastage of urea which may remain unutilized. The Committee, therefore, would like to reiterate their earlier recommendation that the Department of Fertilizers should take steps for introduction of smaller urea bag(s) in the denomination of 20 Kg / 25 Kg etc. Alternatively, the Department of Fertilizers may also explore the possibility of allowing sale of urea by retailers in small quantities. The Committee would like to be apprised of further action taken by the Department in the matter.

(Recommendation No.8)

Production / Import of Fertilizers

1.11 The observations/ recommendations of the Committee regarding production / import of fertilizers were as under :-

“The Committee note that the actual production of all the fertilizers during the year 2017-18 was 413.59 LMT and the total production during 2018-19 was 414.85 LMT. Further consumption of all subsidized fertilizers during 2017-18 was 515.84 LMT and it was 537.89 LMT in 2018-19. Domestic production of urea against consumption during 2016-17, 2017-18 and 2018-19 was 242.01/296.07 LMT, 240.23/303.31 LMT & 240/317.19 LMT respectively. Similarly, domestic production of P&K fertilizers is less than consumption during the last three years. The target set for production of Urea, DAP and Complex fertilizers during 2019-20 are Urea- 271.00 LMT, DAP-47.28 LMT & Complex Fertilizers-104.28 LMT and the revised production target in respect of all fertilizers for 2019-20 is 539.92 LMT. The Department of Fertilizers have also informed that the requirement of fertilizers for Rabi season during 2019-20 is yet to be finalized and hence they are unable to visualize the rate of increase in production required to meet the agricultural production targets. 65.20 LMT of Urea (33.00 LMT for Kharif 2019 and 32.20 LMT for Rabi 2019-20) has been proposed to be imported during 2019-20 based on the respective authorizations given by Steering Committee of Secretaries (SCoS) to Department of Fertilizers. Import of MOP and NPK fertilizers, their quantities and timing are decided by companies based on market intelligence as import of these fertilizers are in Open General License (OGL) and 51.37 LMT of P&K fertilizers have been imported upto Aug, 2019. The

Committee appreciate the Department of Fertilizers for ensuring availability of required quantity of all fertilizers to meet the needs of agriculture sector of the country. However, the Committee find that the Department is unable to make out timely assessment of correct figures of required quantity of fertilizers to be produced or imported for a particular season (Rabi / Kharif). Further, production of urea has stagnated for the last three years and as such the goal of self-sufficiency in urea production is seemingly an unattainable objective at present. The Committee expect that the Department looks into the relevant issues affecting their monitoring mechanisms adopted for the assessment of requirement and production fertilizers and paves way for attainment of self-sufficiency in urea production at the earliest. The Committee also desire that the Department shall study / review their subsidy policies in order to ensure that subsidy policy of the Government encourages use of soil-specific right combination of fertilizers and discourages improper use of cheaper / highly subsidized fertilizer (urea) in place of the fertilizer which suits the soil. “

Reply of the Government

1.12 Action Taken Reply of the Department of Fertilizers in this regard is as under :-

The biannual Zonal conferences are generally held 1 or 2 month before the start of each cropping season. The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. On the basis of month-wise & state-wise projection given by DAC&FW, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through the following system:

- (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);
- (ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
- (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation and Farmers Welfare (DAC&FW), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- (iv) The gap between demand (requirement) and production is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

It is informed that the Zonal Conference for the assessment of fertilizers for the Rabi 2019-20 seasons was held on 11.09.2019. DAC&FW has finalized the seasonal requirement of fertilizers along with its breakup i.e. Urea, DAP, MOP and NPK, for the Rabi 2019-20 season and has conveyed the same to DoF. Furthermore, based on additional requirements in Rajasthan, Madhya Pradesh and Telangana, DAC&FW has forwarded the revised urea requirements for Rabi 2019-20. As the indigenous production is not sufficient to meet the additional demand, the Department of Fertilizers is importing 22 LMT of Urea for ensuing Rabi season.

No report of incidences of shortage of supply of fertilizers in the country during the last three years has been received from any of the State Government.

Further, the movement of Fertilizers to the various districts in a state is within the mandate of respective State Governments.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

1.13 In regard to the recommendation of the Committee that the Department looks into the aspect of assessment of requirement and production fertilizers and attainment of self-sufficiency in urea production at the earliest, the Committee have inter-alia been informed that that the Zonal Conference for the assessment of fertilizers for the Rabi 2019-20 season was held on 11.09.2019 and the seasonal production / import requirements of fertilizers were finalized subsequently. It has also been stated that no report of incidences of shortage of supply of fertilizers in the country during the last three years has been received from any of the State Government. Further, the Committee note the reply of the Department that the movement of Fertilizers to the various districts in a state is within the mandate of respective State Governments. However, the Action Taken Reply furnished by the Department is silent on the reasons for stagnation in domestic production of urea during the last three years and action taken by the Department to attain the goal of self-sufficiency in urea production. Also, the Department has not given any reply with regard to the observation of the Committee that the Department should review the existing subsidy policies in order to ensure that use of soil-specific right combination of fertilizers is promoted and improper use of cheaper fertilizer (urea) is discouraged. Since the self sufficiency in urea production is very much necessary and at the same it would be appropriate to use soil specific right combination of fertilizers in place of over use of subsidized fertilizers, the Committee would like to reiterate the above mentioned recommendations and expect that the Department would provide specific replies to them within three months.

(Recommendation No.9)

Scheme for Promotion of City Compost

1.14 The Committee had made the following observations / recommendations :-

“The Committee are aware that a policy on promotion of city compost was notified by the Department of Fertilizers on 10.02.2016 under which Market Development Assistance (MDA) in the form of fixed amount of Rs. 1500/- P.M.

of City Compost is provided for scaling up production and consumption of the product. Ministry of Urban Development is to take steps to increase setting up of compost plants across all States and the Department of Agriculture, Cooperation and Farmers Welfare is to carry out IEC (Information, Education and Communication) campaigns to educate farmers on the benefits of city compost. Concerned Ministries/Departments/Authorities have been requested to take appropriate action on actionable points contained in the notification. A Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture set up for coordination. State Level Steering Committee for promotion of city compost constituted in 11 States. The Committee have also taken note of improvement in funds utilization under the scheme during the last three years. Funds utilization against budgetary allocation under the scheme was 0.5 / 15 Crore in 2016-17 ; 7.26 / 15 Crore in 2017-18; 10 / 10 Crore in 2018-19. During the current financial year a budgetary allocation of Rs.32 crore has been made for the scheme against which Rs. 13.62 crore has been spent upto Aug, 2019. The Committee, while appreciating the scheme which promotes conversion of wastes into compost manure, express the opinion that the BE for the scheme and level of implementation of the scheme as compared to garbage generated in the country, is very low. The Committee, therefore, strongly recommend that the Government shall review the operative guidelines for the scheme so as to widen the scope and scale of implementation of the scheme and shall provide higher budgetary support for the implementation of the scheme. “

Reply of the Government

1.15 The Department of Fertilizers, in their Action Taken Reply has stated as under :-

The policy on promotion of city compost was introduced in 2016. Under the scheme, Market Development Assistance (MDA) of Rs. 1500/- M.T. in the form of subsidy has been provided for scaling up production and consumption of city compost. Budget provision for a year is made keeping in view funds utilization against budgetary allocation under the scheme. During 2019-20, a budgetary provision of Rs. 32.00 crore has been made under the scheme. The Department of Fertilizers (DoF) has taken extensive measures to track the progress of fertilizer companies on targets set at the beginning of the year. Fertilizer Companies have been requested to take up co-marketing of City Compost along with chemical fertilizers more vigorously. In order to increase the volume of sale the compost, manufacturing companies/Urban Local Bodies (ULBs) having compost plant have been allowed for direct sale of city compost to farmers. Further, Department of Fertilizers vide O.M. dated 7th September, 2017 amended guidelines dated 10.10.2016 allowing compost manufacturers having good marketing network for bagged sale of city compost. Similarly, guidelines dated 9.1.2017 for bulk sale of city compost has been amended by Department of Fertilizers vide O.M. dated 7.9.2017 allowing marketing companies for bulk sale of city compost to farmers. The Department of Fertilizers vide letter dated 1st June, 2017 allowed manufacturers/ULBs for direct sale of city compost in bulk to Farmer Cooperative/RWA/Panchayat/DDA/CPWD/Government Departments etc. and claim MDA to boost the sale of city compost. For better coordination and promotion of city compost, States have been asked to constitute State level Steering Committee. The Direct Benefit Transfer (DBT) has been rolled out in Fertilizer Sector w.e.f. 1st April, 2018 and fertilizer companies marketing city compost are also covered under the scheme. Thus, DoF is making concerted efforts to increase the sales of city compost. With the increase in the sale, the expenditure on MDA is expected to increase which is likely to result in enhancement of funds based on the demands.

The year-wise sales position and funds allocation and their utilization is as under: -

Year	Sale by marketing companies (in MT)	Bulk sale by manufacturing companies (in MT)	Total sale by (in MT)	Budget allocation (in crore)	MDA released (in cr.)
2016-17	96584.00	-	96584.00	15.00	0.55
2017-18	123569.87	75492.04	199061.91	15.00	7.26
2018-19	195551.48	111078.99	306630.47	10.00	10.00
2019-20 (April to Nov, 2019)	131509.46	80612.85	212122.31	32.00	29.74

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

1.16 Since the budget allocation and implementation of the Scheme for promotion of city-compost was very low as compared to garbage generated in the country, the Committee had strongly recommended that the Government should review the operative guidelines for the scheme so as to widen its scope and scale of implementation and to provide higher budgetary support for the scheme. In the Action Taken Reply, the Department of Fertilizers has stated about various measures taken by it for supporting the implementation of city-compost scheme and about the concerted efforts made by it for increasing the sale of city compost. The Department has also stated that with the increase in the sale, the expenditure on Market Development Assistance is expected to increase which is likely to result in enhancement of funds based on the demands. However, the Committee expect that the Department would provide further impetus to the implementation of the scheme so that conversion of garbage into city-compost is undertaken on large scale in line with spirit of the recommendation of the Committee. The Committee are also concerned to note that the budgetary allocation for the scheme has been reduced to Rs.29 crore in 2020-21 as compared to RE of Rs.33.85 crore during 2019-20. The Committee, therefore, would like to emphasis that the Department should continue to initiate strong measures to popularize the use of city-compost by farmers and to achieve the objective of conversion of garbage into city-compost on a larger-scale to match the scale of garbage generated in the country by removing bottlenecks in the process through new initiatives and innovations. The Committee may be informed of further action taken by the Department in this regard.

(Recommendation No.10)

Settlement of Subsidy / DBT claims of Fertilizer Companies

1.17 The Committee had observed / recommended as under :-

“The Committee take note that under DBT payment system, subsidy on indigenous and imported P&K fertilizers, indigenous urea and city compost is distributed to fertilizers companies on the basis of PoS sales at retail points. Freight subsidy is being paid as per the payment system prevailing prior to implementation of DBT after verification of Railway Receipts (RRs) lead distances, applicable slab rates as per the notified NBS policy. DBT payment system does not cover Imported Urea as the cost of imported urea is completely borne by Government of India and subsequently cost on imported urea is recovered from fertilizers marketing entities / handling agencies at the statutory rate after adjusting port dues, customs duty etc. The DBT system entails 100% payment of subsidy to the fertilizers manufacturing / importing companies on the basis of actual sale by the retailers to the beneficiary. All the sales are tracked online (Company-wise/ plant-wise/ product-wise etc. in iFMS). After the sale, fertilizers companies submit their claims online on weekly basis through iFMS. In iFMS, bills tracking mode is available at all levels for day to day monitoring of the DBT claims. The claims are processed online by fertilizer subsidy division and sanctions are generated, digitally signed and submitted to Pay and Accounts Office through PFMS portal for payment. Subsidy payment is released to the company’s bank account online, subject to availability of funds. Department of Fertilizers has stated that the average time taken for sanction of DBT payment is 10-20 working days approximately and that efforts are being made to reduce this time further. However, during oral evidence, Secretary, Department of Fertilizers stated that the average time taken for payment of subsidy reimbursement is two and a half months. The Committee also note that the Department of Fertilizers is arranging funds to the fertilizer companies through Special Banking Arrangement (SBA) against pending claims. The Department bears the liability of principal amount of SBA utilized and the interest upto Government Security (G-sec) rate thereon. The interest liability beyond G-sec rate is to be borne by fertilizer companies. Taking into account all related factors including carry-over liabilities of the Department and constraints faced by the fertilizer companies, the Committee strongly recommend that the Department of Fertilizers shall look into the matter with all seriousness and ensure that subsidy reimbursement to fertilizer companies are done without any delay. Progress achieved in this regard may be apprised to the Committee in terms of number of claims settled, amount paid, reduction in average days taken for settling fertilizer subsidy claims from companies and reduction of carry-over liabilities.”

Reply of the Government

1.18 The Department of Fertilizers, in their Action Taken Reply with regard to the above mentioned observations / recommendations of the Committee, has stated as under :-

In this regard it is stated that DBT payment module is now streamlined and the subsidy payment is being done regularly subject to availability of funds. The details of number and amount of claims generated and settled by FSD/FICC during 2019-20 as on date (15.01.2020) are given as under:

Sl. No.	Scheme	No. of claims Generated	No. of claims sanctioned	Amount of claims generated (Rs: In crores)	Amount of claims sanctioned (Rs:In crores)
1	Indigenous P&K	4105	3758	10622.05	8908.39
2	Imported P&K	670	539	6359.29	4371.86
3	City Compost	583	407	18.49	13.09
4	Ind. Urea (figures are as on 29.01.2020)	2520	1361	43988.94	17716.68
	Total	7878	6065	60988.77	31010.02

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

1.19 The Committee after taking into account the factors of delay in payment of fertilizer subsidy and accumulation of huge carry-over liabilities year after year, had *inter-alia* recommended that the Department of Fertilizers should look into the matter of delay in subsidy payment to companies, pending-subsidy claims and carry-over liabilities and ensure that subsidy reimbursement to fertilizer companies are done without any delay. The Committee had sought progress made in the matter in terms of number of claims settled, amount paid, reduction in average days taken for settling fertilizer subsidy claims from companies and reduction of carry-over liabilities. In the action taken reply, the Department of Fertilizers has merely given details regarding number of subsidy claims generated and settled as on 15-01-2020 during 2019-20. In the absence of any information on reduction in average number of days taken for settling fertilizer subsidy claims from companies, it cannot be ascertained as to whether the Department has actually achieved any progress in bringing down the delay involved in making subsidy-payment. The Committee are aware that delay in payment of fertilizer-subsidy, pendency in settlement of subsidy claims and accumulating carry-over liabilities are mainly due to non-availability of sufficient amount of funds with the Department of Fertilizers, especially during the last quarterly period of the financial year. Loan arranged by the Department of Fertilizers to companies by the way of Special Banking Arrangement against pending-claims will give rise to additional expenditure to companies as the interest for loan amount, over and above G-sec rate, is to be borne by the companies. Under these circumstances, the only way to solve the

issues relating to delayed payment of fertilizer subsidy to companies, is to take up case with Ministry of Finance and convince them to provide adequate budgetary support for the fertilizers subsidy schemes of the Department. The Committee, therefore, would like to reiterate the recommendation and expect that the Department would initiate strong measures to make timely payment of fertilizer subsidy to fertilizer companies and to completely eliminate carry-forward liabilities in payment of fertilizer subsidies. The Committee may also be furnished information on information on average number of days taken for settling fertilizer subsidy claims received from companies during each of the last three years. Action Taken in this regard may be intimated to the Committee within three months.

CHAPTER – II

OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT - (RECOMMENDATION NOS.1, 3, 7, 9, 12 & 13)

(Recommendation No.1)

Inadequate Funds Allocation in Budget Estimates for 2019-20

2.1 Observations/Recommendations of Committee are as under :-

“The Committee note that a budgetary allocation of Rs.83515/- Crore including Revenue Expenditure of Rs.83514.95 and Capital Expenditure of Rs.0.05/- crore has been made in respect of Demand No.6 pertaining to Department of Fertilizers for the year 2019-20. The Committee observe that the Department of Fertilizers was allocated BE of Rs.78515.00/- Crore in the interim budget 2019-20 against the projected demand of Rs.100633.43/- Crore. Since there was a gap of Rs.32932.37/- Crore in the allocation of fertilizer subsidy, Department of Fertilizers took up case for enhanced budgetary allocation. Subsequently, Ministry of Finance in June 2019 provided Rs.5000/- Crore in BE allocation raising the subsidy budget to Rs.83466/- Crore and the overall budget of the Department became Rs.83515.00/- Crore. As compared to RE of Rs.73482.74/- Crore in 2018-19, the BE of Rs.83515 Crore made for the current year for the Department shows an increase of 13.65%. The Committee also note that the Department has no proposal to launch any new scheme or close any of the existing schemes during the current year. However, the Committee are dismayed to note that the enhanced BE of Rs.83515.00/-Crore is still considered inadequate as there remains a gap of Rs.27932.27 Crore in the subsidy budget. Against the backdrop of huge budgetary gap of Rs.27932.27 Crore, the Committee record their unhappiness over inability of the Department of Fertilizers in convincing Ministry of Finance to make adequate BE allocations to the Department during the last three financial years. The Committee express the opinion that the aforesaid budgetary gap will eventually result in delayed payment to fertilizers companies and thereby adversely affect their financial performances. The Committee, therefore, strongly recommend that the Department of Fertilizers shall make sincere efforts to bring down the nagging gap in the subsidy budget of the Department year after year due to inadequate BE allocations and convince Ministry of Finance to make supplementary allocations for 2019-20 and make adequate BE allocations in the coming years for the Department so that all stake holders in the fertilizer sector get the benefits of fertilizer subsidy schemes without much constraints.”

Reply of the Government

“At RE 2019-20 stage, the projection of Rs 127725.67 crore was made after adjusting revised recoveries on account of import of fertilizers (Rs 3840.00 Crore) but no additional allocation has been made by the Ministry of Finance.

A supplementary Demand for Grants for an amount of Rs 48051.00 crore was sent in the 1st batch of Supplementary Demand for Grants but the same was also not provided by the Ministry of Finance.

Subsequently, in the 2nd Batch of Supplementary Demands for 2019-20, a requirement of Rs.51707.23 Crore has been projected in view of additional requirement of 22 LMT of Urea to meet the demand of ensuing Rabi Season, as

projected by Department of Agriculture and Cooperation & Farmers' Welfare (DAC&FW).

This Department is impressing upon Ministry of Finance time and again regarding the requirement of additional funds, however, that Ministry has shown its inability to agree to request of this Department.

Separately, this Department has taken up the matter with Ministry of Finance to agree to Special Banking Arrangement (SBA) to the tune of Rs 27551.59 crore for payment of bills in Indigenous Urea and P&K Fertilizers for the period from November 2019 to March, 2020."

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

COMMENTS OF THE COMMITTEE

(Please see Para No.1.7 of Chapter- I of the Report)

(Recommendation No.3)

Price of Subsidized Fertilizers

2.2 Observations/Recommendations of Committee are as under :-

"The Committee observe that urea is sold at a Maximum Retail Price (MRP) statutorily fixed by the Government of India and the present MRP of urea, effective from 01-03-2018 is Rs 268 for a 50 kg bag excluding local taxes / charges. The MRP of P&K fertilizers covered under the Nutrient Based Subsidy (NBS) implemented w.e.f. 01-04-2010 are allowed to be fixed by fertilizer manufacturers / marketers at reasonable rates as per market dynamics and monitored by the Government. Any sale over and above the printed MRP is a punishable offence under the Essential Commodities Act, 1955. The State Governments have the responsibility to ensure that the farmers get the subsidised fertilizers on the MRP. State Governments are authorised to take punitive action against any company / firm / person found selling subsidised fertilizers over and above the printed MRP. The Committee have also been apprised that the Department of Fertilizers, in consultation with Department of Expenditure, is finalizing guidelines for recovery of profit earned over and above 12% in the sale of NBS covered P&K fertilizers. The guidelines are likely to be finalized by the end of this Financial Year. Taking a holistic view, the Committee are of the view that the guidelines for recovery of profit earned over and above reasonable rate be issued at the earliest and a review mechanism be evolved for periodic review of the reasonability of the prices of urea and NBS covered P&K fertilizers. The Committee hope that Department of Fertilizers would take appropriate follow-up action in the matter."

Reply of the Government

Guidelines for recovery of profit earned over and above reasonable rate has been issued vide OM dated 15.11.2019. The Department of fertilizer will complete the process of examination of reasonableness for the previous financial year by October of every year. The profit earned above 12% will be treated as 'unreasonable profit'. No deduction of Taxes/Dividends paid by the companies will be granted while computing the reasonable profit.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.7)

Carry-forward Liabilities on Subsidies

2.3 Observations/Recommendations of Committee are as under :-

“The Committee have observed that the Department of Fertilizers has had carry-over liabilities at the end of financial years continuously for the last few years. According to Department of Fertilizers an amount of Rs.39057.11/- crore was the carry-over liabilities on Urea Subsidies and Nutrient Based Subsidies at the end of 2016-17. It came down to Rs.26182.80/- at the end of 2017-18. At the end of financial year 2018-19, it was Rs.32488.54 crore. The Committee have also taken note that approximately an amount of Rs.10 crore was surrendered during the financial year 2018-19 under different heads of expenditure. The committee have been apprised that the expenditure on subsidy was Rs.70100.01/- crore in 2016-17, Rs.69224.26/- crore in 2017-18 and Rs.73442.18/- in 2018-19 and these aforesaid figures include the carry over liability cleared during the year and as such these figures would not depict correct picture. The Department of Fertilizers has stated that in spite of its repeated efforts to impress upon the Ministry of Finance about the need for complete elimination of carry over liabilities of fertilizer subsidy, the Ministry of Finance has not been able to provide the projected allocations. Taking into the foregoing, the Committee recommend that the Department of Fertilizers shall make serious efforts to improve their functional mechanisms so that it can correctly assess the annual expenditure outgo on subsidy schemes and make realistic projection of requirement of funds to the Ministry of Finance. The Committee may be apprised of the action taken in this regard. “

Reply of the Government

“It is informed that total requirement of funds as projected by the Fertilizer Subsidy Division under RE for the current FY 2019-20 is Rs 131527.00 crore against BE allocation of Rs 83476.00 crore. The amount of RE which was demanded, includes the carry over liabilities of Rs 32488.54 crore of previous year (2018-19) and revised committed expenditure of 2019-20. But no additional fund has been allocated under RE for the current FY 2019-20.

The Department of Fertilizers makes realistic projection based on quantity of fertilizers indigenously manufactured/ imported. However, the Ministry of Finance gives lesser budget allocation to subsidy as that Ministry has to decide the budgetary allocation for programmes /schemes of all Departments/Ministry based on priorities of the Government. “

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.9)

Scheme for Promotion of City Compost

2.4 Observations/Recommendations of Committee are as under :-

“The Committee are aware that a policy on promotion of city compost was notified by the Department of Fertilizers on 10.02.2016 under which Market

Development Assistance (MDA) in the form of fixed amount of Rs. 1500/- P.M. of City Compost is provided for scaling up production and consumption of the product. Ministry of Urban Development is to take steps to increase setting up of compost plants across all States and the Department of Agriculture, Cooperation and Farmers Welfare is to carry out IEC (Information, Education and Communication) campaigns to educate farmers on the benefits of city compost. Concerned Ministries/Departments/Authorities have been requested to take appropriate action on actionable points contained in the notification. A Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture set up for coordination. State Level Steering Committee for promotion of city compost constituted in 11 States. The Committee have also taken note of improvement in funds utilization under the scheme during the last three years. Funds utilization against budgetary allocation under the scheme was 0.5 / 15 Crore in 2016-17 ; 7.26 / 15 Crore in 2017-18; 10 / 10 Crore in 2018-19. During the current financial year a budgetary allocation of Rs.32 crore has been made for the scheme against which Rs. 13.62 crore has been spent upto Aug, 2019. The Committee, while appreciating the scheme which promotes conversion of wastes into compost manure, express the opinion that the BE for the scheme and level of implementation of the scheme as compared to garbage generated in the country, is very low. The Committee, therefore, strongly recommend that the Government shall review the operative guidelines for the scheme so as to widen the scope and scale of implementation of the scheme and shall provide higher budgetary support for the implementation of the scheme. “

Reply of the Government

The policy on promotion of city compost was introduced in 2016. Under the scheme, Market Development Assistance (MDA) of Rs. 1500/- M.T. in the form of subsidy has been provided for scaling up production and consumption of city compost. Budget provision for a year is made keeping in view funds utilization against budgetary allocation under the scheme. During 2019-20, a budgetary provision of Rs. 32.00 crore has been made under the scheme. The Department of Fertilizers (DoF) has taken extensive measures to track the progress of fertilizer companies on targets set at the beginning of the year. Fertilizer Companies have been requested to take up co-marketing of City Compost along with chemical fertilizers more vigorously. In order to increase the volume of sale the compost, manufacturing companies/ Urban Local Bodies (ULBs) having compost plant have been allowed for direct sale of city compost to farmers. Further, Department of Fertilizers vide O.M. dated 7th September, 2017 amended guidelines dated 10.10.2016 allowing compost manufacturers having good marketing network for bagged sale of city compost. Similarly, guidelines dated 9.1.2017 for bulk sale of city compost has been amended by Department of Fertilizers vide O.M. dated 7.9.2017 allowing marketing companies for bulk sale of city compost to farmers. The Department of Fertilizers vide letter dated 1st June, 2017 allowed manufacturers/ULBs for direct sale of city compost in bulk to Farmer Cooperative/RWA/Panchayat/DDA/CPWD/Government Departments etc. and claim MDA to boost the sale of city compost. For better coordination and promotion of city compost, States have been asked to constitute State level Steering Committee. The Direct Benefit Transfer (DBT) has been rolled out in Fertilizer Sector w.e.f. 1st April, 2018 and fertilizer companies marketing city compost are also covered under the scheme. Thus, DoF is making concerted efforts to increase the sales of city compost. With the increase in the sale, the expenditure on MDA is expected to increase which is likely to result in enhancement of funds based on the demands.

The year-wise sales position and funds allocation and their utilization is as under: -

Year	Sale by marketing companies (in MT)	Bulk sale by manufacturing companies (in MT)	Total sale by (in MT)	Budget allocation (in crore)	MDA released (in cr.)
2016-17	96584.00	-	96584.00	15.00	0.55
2017-18	123569.87	75492.04	199061.91	15.00	7.26
2018-19	195551.48	111078.99	306630.47	10.00	10.00
2019-20 (April to Nov, 2019)	131509.46	80612.85	212122.31	32.00	29.74

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

**Comments of the Committee
(Please see para 1.16 of Chapter I of the Report)**

(Recommendation No.12)

Fertilizer Quality Standards and Research & Development in Fertilizer Sector

2.5 Observations/Recommendations of Committee are as under :-

“The Committee are aware that Government of India has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955, (ECA) and has notified Fertilizer Control Order 1985 (FCO) under this Act. As per the provisions of the FCO, the fertilizers, which meet the standard of quality laid down in the order, should only be sold to the farmers. The State Governments are supposed to check the quality of the fertilizers to ensure supply of quality of fertilizers by the manufacturers / importers of fertilizers as prescribed under the FCO and are fully empowered to take action under EC Act, if the fertilizers are found to be non / sub-standard. The quality of the imported fertilizers is checked by the fertilizer quality control laboratories of the Government of India. At this back drop, the Committee are perturbed to take note that the fertilizer response rate in the country is reportedly declining over the years. The Committee are also concerned to note that the Department of Fertilizers neither possesses any Research and Development facility nor has any data regarding institutional mechanisms and infrastructural and other facilities available in the country for the Fertilizer Industry to undertake R&D activities to improve and upgrade the production technology, quality of fertilizers, introduction of new fertilizers, etc. As a matter of solace, the Committee find that a new society named ICFFTR (Indian Council for Fertilizers and Fertilizer Technology Research) is being constituted comprising members of fertilizer PSUs to undertake research and development in the area of fertilizer sector. The Committee have also been given to understand that IFFCO (Indian Farmers Fertilizer Cooperative Limited) has introduced nano-technology based products of nano-nitrogen, nano-zinc & nano-copper for field trials. Taking the foregoing factors into account, the Committee are of the considered view that since production and movement of major fertilizers are controlled and regulated by the Union Government, the Department of Fertilizers shall take a proactive role to monitor and improve the quality of fertilizers marketed in the country. The

Committee expect that the Department of Fertilizers will take necessary follow-up action in the matter and apprise the Committee accordingly.”

Reply of the Government

Indian Council for Fertilizer & Fertilizer Nutrient Research (ICFFTR) has been constituted and registered under Societies Registration Act of 1860 on 19.08.2019. Fertilizer PSUs viz. NFL, RCF and FAGMIL are founding members of ICFFTR. In order to create initial fund for ICFFTR and to make the same operational, seed money initial corpus non-refundable will be provided by (Rs.2 crore each by NFL & RCF) and (Rs. 1 crore by FAGMIL). In addition to these PSUs, MFL, FACT, BVFCL, PDIL, HFCL and FCIL are also its members. The membership of the Society is open to other organizations, Corporate Bodies / Joint Venture Companies, Institutions engaged in manufacturing and trading fertilizers. The annual subscription fee for each of the founder member of CPSEs under the administrative control of DoF is Rs. 1 lakh. For all other members, there is one-time admission fee Rs.5 lakhs at the time of admission and annual subscription of Rs. 1 lakhs. ICFFTR's registered office is at Lodhi Road, New Delhi. ICFFTR is functioning under the administrative control of DoF, however, DoF will not allocate any funds to ICFFTR.

ICFFTR comprises of Governing Council headed by Secretary, D/o fertilizers and Executive Committee headed by CMD, RCF. The Director General of the Society is the administrative head of the society. Ist meeting of Governing Council was held on 11.10.2019 and Ist meeting of Executive Committee was held on 24.10.2019. Some of the Research & Development activities planned to be undertaken by ICFFTR are as under: -

- a) To undertake research in the area of fertilizer and fertilizer manufacturing technology, use of raw material and innovation in fertilizer products.
- b) To identify and research, eco-friendly nutrients / micro nutrients and pesticide coated slow release fertilizers to ensure reduction of Carbon Footprint of Fertilizer sector and energy efficient operation.
- c) To undertake research in bio fertilizer and its derivatives with appropriate coating or blending so as to protect and increase soil fertility.
- d) To undertake research in organic fertilizer and its derivatives or blending so as to protect and increase the soil fertility.
- e) To undertake research in Fertilizer Sectors & related activities.
- f) To undertake research in the field of agriculture.
- g) To undertake research in the application of science and scientific methods for the manufacture of fertilizers and their utilization in the fields either alone or in conjunction with preparations of other materials.
- h) To make known the results of all research discoveries, patents and investigations made in connection with the above objects.
- i) To adopt such means of making known the products of the Society as may seem expedient.
- j) To allow the member organizations to utilize the research carried out by the by the ICFFTR.

During the 1st Governing Council meeting, it was decided that budget expenditure of ICFFTR shall be divided among 3 verticals in equal proportion: -

- i. Industrial Research
- ii. Research on new & innovative fertilizers
- iii. Planned research for benefitting farming community

With regard to Nanofertilizers, it is stated that for framing the “guidelines for evaluation of Nano based Agri- inputs and Food products in India”, Department of Biotechnology has constituted an Inter-Ministerial Expert Committee comprising of members from DBT, DAC&FW, DST, CSIR, ICAR, FSSA, AIIMS, DoF and various

other Departments and organizations under the chairmanship of Secretary (DBT). The Committee has finalized the guidelines and submitted to the approval of the competent authority.

The draft guidelines cover the following aspects:

- Definition of Nanomaterial (NM), Nano-agri-input product (NAIP) and nano-agri product (NAP)
- Categorization of NAIP and NAP
- Scientific rationale for Manufacturing of NAIPs, and NAPs
- Specific Consideration for Evaluation of NAIPs and NAPs in the context of FCO, CIB&RC, FSSAI and BIS
- Excipients used in NAIPs and NAPs
- Stability Testing of NAIPs and NAPs
- Safety Assessment of manufactured NAIPs and NAPs
 - ✓ Human Health Safety
 - ✓ Environmental safety
 - ✓ Additional Safety assessment of nanopesticides
 - ✓ Occupational Health Safety and Waste Disposal
- Residue Analysis
- Information Required for Evaluation of NAIPs and NAPs
- Food Safety Labeling
- Uncertainty Analysis
- List of Stakeholders
- Global status for Regulation of nanoproducts in agri-food system
- Comparison of NM definition in current regulatory framework in selected countries available for food sector.

The guidelines are aimed to help researchers, manufacturers, importers and other stakeholders involved in research and development of nano-based agri-input and food products and to encourage commercialization of these products.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.13)

Revival of Closed Plants of FCIL & HFCL

2.6 Observations/Recommendations of Committee are as under :-

“The Committee observe that out of the nine PSUs under the administrative control of the Department of Fertilizers, operations of two PSUs namely FCIL (Fertilizer Corporation of India Limited) and HFCL (Hindustan Fertilizers Corporation Limited) have been closed since September, 2002 due to obsolete technology and high energy consumption of plants and economic unviability. FCIL had five units at Sindri (Jharkhand), Talcher (Odisha), Ramagundam (Telangana), Gorakhpur (Uttar pradesh) and Korba (Chhatisgarh). While Revival of Sindri, Talcher, Ramagundam and Gorakhpur is being taken up by the Government. The revival of Korba unit would be taken up later. HFCL has three units viz Durgapur, Haldia and Barauni units. While Barauni unit is being revived alongwith Sindri and Gorakhpur units of FCIL, the revival of Durgapur and Haldia units would be taken up later.

The Union Government approved to revive two units of FCIL viz Gorakhpur and Sindri and one unit of HFCL i.e. Barauni in 2016. The proposal to revive Gorakhpur, Sindri & Barauni units by means of a Special Purpose Vehicle (SPV) of Public Sector Units namely, NTPC, CIL, IOCL and FCIL/HFCL was approved by Union Government on 13-07-2016. Subsequently an SPV by name the Hindustan Urvarak & Rasayan Limited

(HURL) was incorporated on 15th June, 2016 for revival of closed units of FCIL at Gorakhpur and Sindri and Barauni unit of HFCL by setting up gas based urea plants with a capacity of 12.7 LMTPA of urea at each of the locations. Setting up of Gorakhpur plant is being undertaken by a consortium of Toyo Engineering Japan & Toyo Engineering India. 58.5% of work of the plant was completed upto 25-08-2019 and commercial production is likely to be started in February, 2021. Sindri & Barauni projects are being implemented by a consortium of Technip France, Technip India and L&T Hydrocarbon Engineering. The work progress in these plants was about 43% upto 25-08-2019 and the likely date of starting of commercial production in these plants is May 2021. The Committee also note that release of CCEA approved Interest Free Loan (IFL) of Rs.1257.82 crore to HURL, is getting delayed in the process of execution of loan agreement between Department of Fertilizers and HURL. Taking into consideration the aforesaid factors and prevailing shortfall in domestic production of urea against consumption during the last three years, the Committee strongly feel that the Department of Fertilizers shall take all necessary steps to ensure timely completion of upcoming urea plants at Gorakhpur, Sindri and Barauni. The Department of Fertilizers may kindly apprise the Committee about the action taken to speed-up release of interest-free loan to HURL and for early completion of the Gorakhpur, Sindri and Barauni plants.

The Committee note that in pursuance of decision of the Union Government in 2011 to revive FCIL and HFCL units, the Talcher unit of FCIL is being revived by setting up a coal based urea plant with a capacity of 12.7 LMTPA of urea by a Joint Venture company named M/s. Talcher Fertilizers Ltd, (TFL) which was formed on 27-10-2015 with equity holdings among GAIL, CIL RCF & FCIL. The Estimated project cost of establishment of TFL is Rs.13,227 crores. The total progress (Pre Project overall) for Talcher Fertilizer project as on 31.05.2019 is 37.86%. The likely date of commissioning of Talcher plant is October, 2023. At this juncture, the Committee hope that the Department of Fertilizers will ensure that progress of the work on the project is given necessary impetus and the commissioning of the project is not delayed due to time and cost overruns. Action taken by the Department of Fertilizers in this regard may be appraised to the Committee.

The Ramagundam unit of FCIL is also being revived by setting up a gas based Ammonia Urea plant of 12.7 LMTPA capacity through nomination route by forming Joint venture company in February, 2015, named Ramagundam Fertilizers & Chemicals Ltd. (RFCL) with equity participation from NFL, EIL, (26% each), FCIL (11%), State Govt. of Telangana (11%), GAIL (14.3%) and HTAS (11.7%). Cumulative work progress in respect of the project as on 15-06-2019 was 97.02% The delay in completion of gas pipeline is impacting commissioning of RFCL. The project, which was expected to be commissioned by December, 2019 is now likely to be commissioned in 2020 subject to availability of Gas supply. The Committee also note that the Department of Fertilizers is regularly reviewing work progress of the project in monthly review meetings and taking up the matter with all concerned. The Committee hope that the Department of Fertilizers will leave no stone unturned to ensure that commercial production of urea is started by RFCL at the earliest in 2020.”

Reply of the Government

The recommendations of the Standing Committee will be strictly complied.

As per CCEA approval dated 13.07.2016, the scheduled commissioning of Gorakhpur revival project will be in February 2021 whereas that of Sindri and Barauni will be in May 2021.

It is submitted that utmost efforts are being made that HURL strictly adhere to the above commissioning timelines in respect of all three fertilizer revival projects. Monthly meetings are held in Department of Fertilizers (DoF) under the chairmanship of Secretary (Fertilizers) to review the progress of each of these three projects. DoF takes up the matter with State Governments / Departments / companies to facilitate implementation of these projects.

As on 25.12.2019, overall progress of Gorakhpur, Barauni and Sindri projects are 70.3%, 58.6% and 59.5% respectively.

Disbursement of Interest Free Loan (IFL) to HURL will be done after execution of Loan Agreement between HURL and DoF. Department of Legal Affairs has seen the draft Loan Agreement and observed that it appears in order from conveyancing angle. Vide OM dated 09.12.2019, Department of Expenditure (DoE) has been requested to vet / concur with the draft Loan Agreement. After receipt of DoE's concurrence, IFL will be disbursed to HURL.

Talcher Fertilizers Limited (TFL) has issued Letter of Intent (LoI) to M/s Wuhuan Engineering Company Limited, a Chinese Company for Coal Gasification and Ammonia/Urea LSTK Tender on 11th and 19th September 2019 respectively.

Monthly meeting is held in DoF under the chairmanship of Secretary (Fertilizers) to review the progress of TFL. DoF takes up the matter with State Governments / Departments / companies to facilitate smooth implementation of TFL project

It is submitted that gas was made available to RFCL plant on 01.11.2019. After receipt of gas, minimum six months are required for scheduled commercial production. Now, pre-commissioning activities are under progress.

Monthly meeting is held in DoF under the chairmanship of Secretary (Fertilizers) to review the progress of RFCL.

DoF takes up the matter with State Governments / Departments /BHEL/ Simplex Infrastructures Ltd/ WIPRO to facilitate smooth implementation of RFCL project

DoF is making utmost efforts that RFCL adhere to commissioning of timelines of Ramagundam plant. Current status of physical progress as on 09.01.2020 is 99.1%

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

CHAPTER – III

OBSERVATION / RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY- (RECOMMENDATION NOS.5 & 11)

(Recommendation No.5)

Evaluation and Extension of Fertilizer Subsidy Schemes

3.1 Observations/Recommendations of Committee are as under :-

“The Committee are given to understand that as per instructions of Ministry of Finance, Nutrient Based Subsidy (NBS) scheme and Urea Subsidy Scheme are required to be reviewed for their further continuance beyond 31-03-2020 and that a third party evaluation of the schemes needs to be completed before commencement of next Finance Commission cycle i.e. 01.04.2020 for their further continuance beyond 31.03.2020. Allaying the apprehensions of the Committee regarding any delay in the proposed third party evaluation, Department of Fertilizers have intimated that the evaluation process would be completed before deadline date of 31-03-2020. Taking all relevant factors into account, the Committee recommend that the Department of Fertilizers shall take all necessary mandatory steps required to ensure that all fertilizers subsidy schemes including NBS and urea subsidy schemes are continued to be implemented beyond 31-03-2020. The Committee also desire that in case of likelihood of any change in these schemes after 31-03-2020, the same may be apprised to the Committee in advance.”

Reply of the Government

The factual position with regard to Third Party Evaluation of both the schemes of Department of Fertilizers is as under:

(i) Nutrient Based Subsidy Scheme:

The recommendations of the committee have been noted for taking all necessary mandatory steps required to examine that scheme is continued to be implemented beyond 31.03.2020. It is also stated that M/s Santek Consultants Pvt. Ltd has already been awarded contract for carrying out the evaluation study of Nutrient Based Subsidy (NBS) Scheme. The report of M/s Santek Consultants Pvt. Ltd is likely to be received in the first week of March 2020.

(ii) Urea Subsidy Scheme:

The contract for Third Party Evaluation of Urea subsidy scheme had been awarded to M/s CS Datamation Research Services Pvt. Ltd. Vide this Department's OM number 12015/1/2014-FPP dated 19.11.2019. However, due to some irregularities found subsequently in the documents provided by the organization regarding work experience, the contract has been cancelled vide this Department's letter dated 05.02.2020. The RFP has also been revised after incorporating some essential clauses. In light of these developments, it has been decided to go for retendering the work for 'Third Party Evaluation of Urea Subsidy Scheme'.

Third Party Evaluation of Urea Subsidy Scheme has to be completed within 100 days from date of submission of Agreement and Performance Security by the selected organization. However, in light of the afore-said developments, the complete process of Third Party Evaluation of Urea Subsidy scheme is not expected to be completed by the end of March 2020. Further the continuation of Urea Subsidy Scheme beyond March 2020 will also require approval of EFC and CCEA decision which will require a few months. Therefore, process has been

initiated to seek extension of time of at least 6 months beyond 31st March 2020 for continuation of Urea Subsidy Scheme from Department of Expenditure.

Further, pending appraisal/approval of ongoing schemes of the Ministry/ Department, Department of Expenditure, Ministry of Finance vide OM dated 10.01.2020, has granted an interim extension (for both the schemes of the Department) for a period till 31st March, 2021 or till the date the recommendation of 15th FC come into effect, whichever is earlier.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.11)

System of Movement / Distribution of Fertilizers

3.2 Observations/Recommendations of Committee are as under :-

“The Committee note that the Movement Division of Department of Fertilizers deals with production and movement of all subsidized fertilizers (Urea, DAP, MOP and NPK). Movement of these fertilizers is monitored by the Department through an online web based monitoring system i.e. integrated Fertilizers Monitoring System (iFMS). Every month Movement Division prepares agreed supply plan in consultation with manufacturers and importers to meet the demand of fertilizers projected by DAC&FW. The gap between demand (requirement) and production is met through imports. The import for a season is finalized well in advance to ensure timely availability. State-wise availability of fertilizers as per supply plan is made and monitored upto State level by the Department of Fertilizers. The concerned State Governments are responsible for monitoring the availability intra-state. According to the Department at present there is no shortage of any fertilizers in the country and no incidence of shortage of supply of fertilizers in the country has been reported to them by any State Government. Further, the information regarding availability of stocks of all the fertilizers at Wholesalers and the Retailers is furnished in the online Dashboard introduced by the Department. There is also Collector Dashboard, Company Dashboard and MarkFed Dashboard. The Committee also take note that a total of 2044 Model Fertilizer Retail Shops have been made functional across the country to provide mandatory services like selling of quality fertilizer at genuine rates, soil testing, seed testing, promotion of balanced used of nutrients etc and some optional services like hiring of equipment such as tractors lasers, levelers, rotavator, crop harvesters etc. Notwithstanding the above stated elaborate arrangements for the movement and distribution of subsidized fertilizers in the country, the Committee still find that there are reports of sporadic / recurring incidences of non-availability or delayed availability of fertilizers in different parts of the country from time to time particularly during peak cultivation seasons. The Committee feel that this problem could be overcome by streamlining, strengthening and improving the efficiency of the functioning of retail net-work system in the States / UTs. The Committee therefore, recommend that the Department of Fertilizers shall look into all factors which lead to sporadic / recurring incidences of shortages / non-availability of fertilizers in States / UTs and find a solution for the same in fixed time frame.”

Reply of the Government

“The biannual Zonal conferences generally held 1 or 2 month before the start of each cropping season. The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. On the basis of month-wise & state-wise projection given by DAC&FW, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through the following system:

- (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);
- (ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.
- (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation and Farmers Welfare (DAC&FW), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- (iv) The gap between demand (requirement) and production is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

Department of Fertilizers is closely monitoring the availability of fertilizers (Urea, DAP, MOP & NPK) in all the States. The availability of fertilizers during the current Kharif Season is very much comfortable in all parts of the country. Further, it is submitted that a new initiative has been made by the Department of Fertilizers i.e. introduction of Dashboard in which various detailed reports related to DoF and States. Through this Dashboard the Department of fertilizers is ensuring the availability of stocks of all the fertilizers at Wholesalers and the Retailers. The same is also in public domain. There is also Collector Dashboard, Company Dashboard and MarkFed Dashboard.

Information regarding availability of fertilizers and rake availability is being shared among the departments to ensure smooth movement of fertilizers and all issues are discussed in the weekly Video Conference with States & corrective steps are taken and every State has conveyed that there is sufficient availability of all the fertilizers.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION - (RECOMMENDATION NOS.4, 8 & 10)

(Recommendation No.4)

Size of Fertilizer Bags

4.1 Observations/Recommendations of Committee are as under :-

“The Committee have taken note that urea is being supplied in 45 Kg bags and 50 Kg bags. As regards P&K fertilizers, producers can sell the P&K fertilizers in smaller bags depending on their commercial decision. The Department of Agriculture, Cooperation & Farmers Welfare vide letter dated 16.1.2013 has already allowed the sale of DAP, MOP, Complexes, Fortified fertilizers and customized fertilizers in a bag of 5 Kg, 10 Kg, 25 Kg and 40 Kg besides conventional bag size of 50 Kg. The need for marketing of smaller sized size fertilizers bags was highlighted by the farming community to the Committee during the study visit of the Committee to Dharamshala in June, 2018. The Committee taking into account the affordability of poor farmers, recommend that the Department of Fertilizers, besides ensuring availability of smaller fertilizers bags for NBS covered P&K fertilizers, shall also take steps for smaller urea bags instead of 50 & 45 Kg bags, presently available, smaller bag(s) may be arranged in place of 45 kg bag.”

Reply of the Government

While examining the feasibility of introduction of of 45kg bag of urea instead of 50 kg bag, DAC&FW vide OM dated 09th February 2017 had recommended the introduction of small quantity fertilizer bags of 2kg, 5kg, 10kg, 25kg and 45kg with proportionate decrease in the MRP of such bags. However, it was observed that the cost of bag is a pass through item and is reimbursed to urea manufacturing units in the form of subsidy. The increase in number of bags with the introduction of smaller quantity of bags, used per MT for packing purpose would increase the bag norms as the number of bags would also be increased. Therefore, the introduction of smaller bags of urea would ultimately lead to increase in bag subsidy.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

(Please see Para No.1.10 of Chapter- I of the Report)

(Recommendation No.8)

Production / Import of Fertilizers

4.2 Observations/Recommendations of Committee are as under :-

“The Committee note that the actual production of all the fertilizers during the year 2017-18 was 413.59 LMT and the total production during 2018-19 was 414.85 LMT. Further consumption of all subsidized fertilizers during 2017-18 was 515.84 LMT and it was 537.89 LMT in 2018-19. Domestic production of urea against consumption during 2016-17, 2017-18 and 2018-19

was 242.01/296.07 LMT, 240.23/303.31 LMT & 240/317.19 LMT respectively. Similarly, domestic production of P&K fertilizers is less than consumption during the last three year. The target set for production of Urea, DAP and Complex fertilizers during 2019-20 are Urea- 271.00 LMT, DAP-47.28 LMT & Complex Fertilizers-104.28 LMT and the revised production target in respect of all fertilizers for 2019-20 is 539.92 LMT. The Department of Fertilizers have also informed that the requirement of fertilizers for Rabi season during 2019-20 is yet to be finalized and hence they are unable to visualize the rate of increase in production required to meet the agricultural production targets. 65.20 LMT of Urea (33.00 LMT for Kharif 2019 and 32.20 LMT for Rabi 2019-20) has been proposed to be imported during 2019-20 based on the respective authorizations given by Steering Committee of Secretaries (SCoS) to Department of Fertilizers. Import of MOP and NPK fertilizers, their quantities and timing are decided by companies based on market intelligence as import of these fertilizers are in Open General License (OGL) and 51.37 LMT of P&K fertilizers have been imported upto Aug, 2019. The Committee appreciate the Department of Fertilizers for ensuring availability of required quantity of all fertilizers to meet the needs of agriculture sector of the country. However, the Committee find that the Department is unable to make out timely assessment of correct figures of required quantity of fertilizers to be produced or imported for a particular season (Rabi / Kharif). Further, production of urea has stagnated for the last three years and as such the goal of self-sufficiency in urea production is seemingly an unattainable objective at present. The Committee expect that the Department looks into the relevant issues affecting their monitoring mechanisms adopted for the assessment of requirement and production fertilizers and paves way for attainment of self-sufficiency in urea production at the earliest. The Committee also desire that the Department shall study / review their subsidy policies in order to ensure that subsidy policy of the Government encourages use of soil-specific right combination of fertilizers and discourages improper use of cheaper / highly subsidized fertilizer (urea) in place of the fertilizer which suits the soil.”

Reply of the Government

The biannual Zonal conferences are generally held 1 or 2 month before the start of each cropping season. The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. On the basis of month-wise & state-wise projection given by DAC&FW, Department of Fertilizers allocates sufficient/ adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through the following system:

- (i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);
- (ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

- (iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation and Farmers Welfare (DAC&FW), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.
- (iv) The gap between demand (requirement) and production is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

It is informed that the Zonal Conference for the assessment of fertilizers for the Rabi 2019-20 seasons was held on 11.09.2019. DAC&FW has finalized the seasonal requirement of fertilizers along with its breakup i.e. Urea, DAP, MOP and NPK, for the Rabi 2019-20 season and has conveyed the same to DoF. Furthermore, based on additional requirements in Rajasthan, Madhya Pradesh and Telangana, DAC&FW has forwarded the revised urea requirements for Rabi 2019-20. As the indigenous production is not sufficient to meet the additional demand, the Department of Fertilizers is importing 22 LMT of Urea for ensuing Rabi season.

No report of incidences of shortage of supply of fertilizers in the country during the last three years has been received from any of the State Government.

Further, the movement of Fertilizers to the various districts in a state is within the mandate of respective State Governments.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

(Please see Para No.1.13 of Chapter- I of the Report)

(Recommendation No.10)

Settlement of Subsidy / DBT claims of Fertilizer Companies

4.3 Observations/Recommendations of Committee are as under :-

“The Committee take note that under DBT payment system, subsidy on indigenous and imported P&K fertilizers, indigenous urea and city compost is distributed to fertilizers companies on the basis of PoS sales at retail points. Freight subsidy is being paid as per the payment system prevailing prior to implementation of DBT after verification of Railway Receipts (RRs) lead distances, applicable slab rates as per the notified NBS policy. DBT payment system does not cover Imported Urea as the cost of imported urea is completely borne by Government of India and subsequently cost on imported urea is recovered from fertilizers marketing entities / handling agencies at the statutory rate after adjusting port dues, customs duty etc. The DBT system entails 100% payment of subsidy to the fertilizers manufacturing / importing companies on the basis of actual sale by the retailers to the beneficiary. All the sales are tracked online (Company-wise/ plant-wise/ product-wise etc. in iFMS). After the sale, fertilizers companies submit their claims online on weekly basis through iFMS. In iFMS, bills tracking mode is available at all levels for day to day monitoring of the DBT claims. The claims are processed online by fertilizer subsidy division and sanctions are generated, digitally signed and submitted to Pay and Accounts Office through PFMS portal for payment. Subsidy payment is released to the company’s bank account online, subject to availability of funds. Department of Fertilizers has stated that the average time taken for sanction of DBT payment is 10-20 working days approximately and that efforts are being

made to reduce this time further. However, during oral evidence, Secretary, Department of Fertilizers stated that the average time taken for payment of subsidy reimbursement is two and a half months. The Committee also note that the Department of Fertilizers is arranging funds to the fertilizer companies through Special Banking Arrangement (SBA) against pending claims. The Department bears the liability of principal amount of SBA utilized and the interest upto Government Security (G-sec) rate thereon. The interest liability beyond G-sec rate is to be borne by fertilizer companies. Taking into account all related factors including carry-over liabilities of the Department and constraints faced by the fertilizer companies, the Committee strongly recommend that the Department of Fertilizers shall look into the matter with all seriousness and ensure that subsidy reimbursement to fertilizer companies are done without any delay. Progress achieved in this regard may be apprised to the Committee in terms of number of claims settled, amount paid, reduction in average days taken for settling fertilizer subsidy claims from companies and reduction of carry-over liabilities.”

Reply of the Government

In this regard it is stated that DBT payment module is now streamlined and the subsidy payment is being done regularly subject to availability of funds. The details of number and amount of claims generated and settled by FSD/FICC during 2019-20 as on date (15.01.2020) are given as under:

Sl. No.	Scheme	No. of claims Generated	No. of claims sanctioned	Amount of claims generated (Rs: In crores)	Amount of claims sanctioned (Rs: In crores)
1	Indigenous P&K	4105	3758	10622.05	8908.39
2	Imported P&K	670	539	6359.29	4371.86
3	City Compost	583	407	18.49	13.09
4	Ind. Urea (figures are as on 29.01.2020)	2520	1361	43988.94	17716.68
	Total	7878	6065	60988.77	31010.02

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

Comments of the Committee

(Please see Para No.1.19 of Chapter- I of the Report)

CHAPTER – V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE STILL AWAITED - (RECOMMENDATION NOS. 2, 6, 14, 15, 16 & 17) (Recommendation No.2)

Guidelines for Customized Mixture Fertilizers

5.1 Observations/Recommendations of Committee are as under :-

“The Committee has taken note that NPK mixture fertilizers, which are crop specific and soil specific, are manufactured by mixing together various P&K fertilizers and Urea in various ratios approved by State Government. The objective of promoting mixture and customized fertilizers is to achieve maximum fertilizer efficiency of applied nutrients in a cost effective manner. The Department of Fertilizers issued interim guidelines for sale of subsidized fertilizers to Mixture/Customized fertilizers manufacturing units under Direct Benefit Transfer (DBT) system. This interim arrangement is valid upto 22.11.2019 or till further orders, whichever is earlier. The Department is in the process of developing a suitable software model under DBT framework through National Informatics Centre to track purchase of subsidized fertilizers and mixture fertilizers produced and sold by Mixture Fertilizer Units. In this regard, the Committee recommend that the Department of Fertilizers shall finalize and notify a comprehensive guidelines for production and use of Mixture / Customized fertilizers and sale of subsidized fertilizers to Mixture/Customized fertilizers manufacturers through Direct Benefit Transfer (DBT) system at the earliest for the benefit of all stakeholders.”

Reply of the Government

It may be appreciated, that there are large no. of mixture fertilizer companies, various grades of Fertilizers and mixture fertilizers rates which need to be incorporated in the iFMS software for the first time. It is likely to take more time keeping in view the time to be taken in development of software, testing of software, its implementation and training of stake holders for the same.

Meanwhile, the implementation of Phase – II of DBT, i.e. Direct Cash Transfer to farmers, is being deliberated at various levels like Cabinet Secretariat, DAC&FW, NITI Aayog and D/o Fertilizers. In the event of implementation of Phase-II, the entire iFMS system is likely to be re-developed. Keeping all the factors in view, interim guidelines for the procurement of subsidized fertilizers by mixture manufacturers have been extended up to 22.05.2020.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.6)

Direct Benefit Transfer (DBT)

5.2 Observations/Recommendations of Committee are as under :-

“The Committee are aware that the Government has introduced Direct Benefit Transfer (DBT) system in Fertilizers w.e.f. October 2016. Sale of all subsidised fertilizers to farmers/buyers is made through Point of Sale (PoS)

devices installed at each retailer shop and the beneficiaries are identified through Aadhaar Card, KCC, Voter Identity Card etc. Different States/U.T.s have been put on Go-Live mode w.e.f. 01.09.2017 and the Pan-India Roll out has been completed by March, 2018. The Department of Fertilizers has in the recent past launched the PoS version 3.0 of DBT and Desktop 1.0 version of DBT in the process of improving the PoS operations. The Committee have also been apprised that NITI Aayog has constituted a Committee to analyze and suggest a mechanism to provide agriculture subsidy on area basis through DBT and the committee after wide consultations has circulated a draft Report in the matter to all stakeholders including D/o Fertilizers, M/o Power, DAC&FW and State Governments. In this regard, the Committee desire that a brief note on important recommendations contained in the draft report of the NITI Aayog appointed Committee along with comments of Department of Fertilizers be furnished to the Committee for information and perusal. The Committee also express the opinion that the proposed phased-II of DBT in fertilizers on area basis be finalized after through consultation with all stake holders and implementation of the same be made applicable in the first instance for NBS covered P&K fertilizers before it is made applicable for urea.”

Reply of the Government

The salient features of the suggestions contained in the draft report of NITI Aayog appointed committee are as under:

The committee has suggested three models for DBT in its draft report—

1. Direct Benefit transfer (without area basis)
2. Direct Benefit transfer based on areas
3. Differential Cost of supply of Inputs.

1. Direct Benefit Transfer (without area basis) -

- a. Requires a complete database of bonafide users with evidence of eligibility like land records.
- b. Eligibility criteria not based on land ownership but actual cultivator as per land holding (possession).
- c. DBT to be linked to purchase/use of inputs by beneficiaries.

Limitations:

- a. Excludes informal tenant farmers and farmers without clear land titles.

2. Direct Benefit transfer based on areas –

- a. Per hectare transfer of subsidy to farmers
- b. Linked to average productivity taking district as a unit.
- c. Subsidies linked to productivity of irrigated / unirrigated Land.
- d. Farmers should be provided Kisan Input Cards (KIC) entitling them to use the given subsidy amount to buy wide range of inputs.

3. Differential Cost of supply of Inputs -

- a. Moving P&K based fertilizer to DBT per acre mode (which are on nutrient based subsidy policy and where subsidy is fixed, MRP is freed and not many variations in prices of different companies).

- b. For Urea, per hectare DBT Model may be implemented once all plants become gas based and after commissioning of Plants being revived.

Limitations:

- a. Wide Variation in the Cost of Manufacturing fertilizer.

The implementation of Phase – II of DBT, i.e. Direct Cash Transfer to farmers, is being deliberated at various levels like Cabinet Secretariat, DAC&FW, NITI Aayog and D/o Fertilizers.

No final model of Direct Cash transfer of fertilizer subsidy to farmer's account has been finalised yet.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.14)

Revival of MFL (Madras Fertilizers Limited) from Sickness

5.3 Observations/Recommendations of Committee are as under :-

“The Committee note that Madras Fertilizers Limited (MFL) is one of the sick company out of the nine PSUs of Department of Fertilizers. The Department of Fertilizers has taken up revival of MFL in terms of DPE guidelines for revival and restructuring of sick Central Public Sector Enterprises. A proposal for the CCEA was circulated for Inter-Ministerial Consultation (IMC) on 15.11.2017. This Department was examining Financial Restructuring proposal for MFL including waiver of GoI loan & interest thereon. Meanwhile a meeting was held in PMO on 10.08.2018 in pursuance of which, Government of Tamil Nadu was asked either to take over full ownership of the plant or to grant NOC for transfer of land to another PSU. Government of Tamil Nadu vide on 09.08.2018 accorded No Objection Certificate (NOC) for transfer of 70 acres of MFL land to Chennai Petroleum. The Committee learn that sale of 70 acres of land of MFL is under process. The Committee also take note that MFL has already been revived in terms of feedstock by converting it from Naphtha based plant to natural gas based in July 2019. According to Department of Fertilizers financial restructuring of MFL will be taken up after completion of the process of monetization of 70 acres of land of MFL. However, the outstanding GOI loan and interest thereon is approximately more than 1063/- crore whereas the amount expected from land-monetization by MFL is approximately Rs.282/- crore only. Further, MFL has also projected the need for a captive power plant at an approximate cost of Rs.150/- crore. Considering all these facts, the Committee while recommending to the Department of Fertilizers for taking up financial restructure including waiver of Government of India loan and interest thereon, would like to know the reasons for keeping the company to remain under sickness till its land resources are sold. The Committee may be informed of the action taken in the matter.”

Reply of the Government

“On the basis of the submission of the proposal regarding revival of MFL, the same was examined in the DoF. Meanwhile, a meeting was held in PMO on 23.01.2018 wherein it was directed to explore possibility of monetization of surplus land of MFL. NITI Aayog was also entrusted to furnish a study report for possibility of

merger of MFL and FACT with other PSUs and to explore other options. In this regard, NITI Aayog has submitted draft report on feasibility of merger of FACT & MFL with other fertilizer units of Department of Fertilizers and options for financial restructuring/ revival of these PSUs to this Department with the request to furnish views/ comments of DoF. Vide letter dated 18th November, 2019, Department of Fertilizers has furnished the comments to NITI Aayog. However, final study report is still awaited from NITI Aayog.

The proposal for sale of 4.98 acres of land of MFL to CPCL is in advance stage. For, transfer of rest of the 65 acres of land, MFL is exploring other options.

Once the land monetization of MFL is completed and a final report of NITI Aayog is obtained, a complete view would be taken on financial restructuring of MFL.”

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.15)

Revival of FACT (Fertilizer Travancore Limited) from Sickness

5.4 Observations/Recommendations of Committee are as under :-

“The Committee note that FACT (Fertilizers Travancore Limited), which is one of the sick companies out of the nine PSUs under the control of Department of Fertilizer, was incorporated in 1943 and it started production in 1947. During the Financial year 2013-13, FACT became a sick CPSU having net worth –(Rs.192.5 Crore). Board for Reconstruction of Public Sector Enterprises (BRPSE) in its meeting on 20.12.2013 recommended infusion of funds and waiver of GOI loans and interest for revival of FACT subject to continuation of existing support for providing the company a level playing field with other fertilizers companies. Based on the BRPSE proposal, Department of Fertilizers submitted case for revival of FACT in April 2014. While the revival proposals remained pending for various reasons, a loan of Rs.1000 crore with interest rate at 13.5% was sanctioned to FACT on 21.03.2016 to avert financial crisis of FACT. The present position of financial restructuring of FACT is that Union Cabinet has approved the proposal for sale of 481.79 acres of land held by FACT to the Govt. of Kerala and utilization of sale proceeds by FACT. The process of getting the sale consideration and handing over the land is underway. Further, draft study report of NITI Aayog in the matter is being examined by the Department of Fertilizers in consultation with other stakeholders. Taking into account the foregoing, the Committee recommend that Department of Fertilizers may finalize their financial restructure plan of FACT based on NITI Aayog study Report and implement the same in a time bound manner and the progress thereof intimated to Committee from time to time till completion of the process.”

Reply of the Government

Approval for sale of 169.689 acres of land @ Rs 2.4758 crore per acres of FACT to BPCL has been accorded vide DoF letter dated 23.03.2018. Cabinet has approved the proposal for Sale of 481.79 acres of land held by FACT to the Govt. of Kerala on 24.07.2019 as under:

- 150 acres of land at the rate of Rs. 1 Crore per acre (in lieu Government of Kerala agreed to give free hold right over 143.22 acres of land to FACT).
- Remaining 331.79 acres at the rate of Rs. 2.4758 Crore per acre as assessed by District Collector of Ernakulum.
- Utilization of sale proceeds by FACT.

Vide letter dated 01.08.2019, DoF has conveyed the decision of the Union Cabinet to FACT and Govt. of Kerala with the request to take appropriate action for the proposed land transfer under intimation to this Department. In this regard, FACT vide letter dated 12th December, 2019, has informed that they have received amount of Rs.967.69 crore towards the sale deed of 481.79 acres of land from the Government of Kerala.

A meeting was held in PMO on 23.01.2018 wherein NITI Aayog was entrusted to furnish a study report for possibility of merger of MFL and FACT with other PSUs and to explore other options. In this regard, NITI Aayog has submitted draft report on feasibility of merger of FACT & MFL with other fertilizer units of Department of Fertilizers and options for financial restructuring/ revival of these PSUs to this Department with the request to furnish views/ comments of DoF. Vide letter dated 18th November, 2019, Department of Fertilizers has furnished the comments to NITI Aayog. However, final study report is still awaited from NITI Aayog.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.16)

Revival of BVFCL (Brahmaputra Valley Fertilizers Corporation Limited)

5.5 Observations/Recommendations of Committee are as under :

“The Committee note that Brahmaputra Valley Fertilizers Corporation (BVFCL) was incorporated on 5th April 2002 after de-merger of the Namrup unit of Assam from Hindustan Fertilizer Corporation Ltd. It has two operating Ammonia-Urea Units namely Namrup-II and Namrup-III which were originally commissioned in 1976 and 1987 respectively. Both the operational plants (Namrup-II & Namrup-III) of the company are based on vintage technology with obsolete equipments and machineries. Production in Namrup-II and Namrup-II plants in the year 2017-18 were not encouraging. Against the installed capacity of 2.40 LMT, production of urea in Namrup-II plant of BVFCL in 2017-18 was 0.58 LMT and 0.62 LMT in 2018-19 and in Namrup-III plant, against the installed capacity of 3.15 LMT, the production was 2.12 LMT and 2.38 LMT in 2017-18 & 2018-19 respectively. The proposal to set up a new Brownfield ammonia-urea unit within the premises of BVFCL, Namrup on PPP basis as approved by CCEA on 21.05.2015 did not materialize due to non-receipt of any proposal from the investors. Subsequently, Government has decided that setting up of 8.646 LMT Namrup-IV urea plant may be established through nomination route. The same is under consideration in the Department of Fertilizers and the expenditure will be borne by the respective equity holder. In this context, the Committee desire that Department of Fertilizer may explore new avenues as well finalize their proposals and take necessary action for setting up of Namrup-IV plant at the earliest. Action taken in the matter may be apprised to the Committee.”

Reply of the Government

“Govt. of India vide its Cabinet approval dated 21st May 2015 decided for setting up of a new brown field Ammonia-Urea complex (Namrup-IV) in the existing premises of BVFCL having capacity of 8.646 Lakh MT per annum with the available gas of 1.72 MMSCMD through a JV under Public Private Partnership (PPP) mode with equity participation of 48% (26%, 11% and 11% to Oil India Limited, Government of Assam and BVFCL respectively) on nomination basis and the remaining 52% equity through competitive bidding by inviting bids from public/private entities. However, due to poor response from private parties, this department is in the process of exploring possibilities for equity participation of remaining 52% equity also on nomination basis to CPSEs and installation of a standard size gas based Ammonia-Urea Plant with a capacity of 12.7 LMTPA in place of 8.646 LMTPA by forming a Joint Venture company. Subsequently, it was decided to allocate 35% equity to NFL and remaining 17% equity to RCF.

It is further mentioned that a meeting was held in the MoP&NG under the Chairmanship of JS(E) on 19th November, 2019. During the meeting, it was discussed that MoP&NG have taken up the matter of equity sharing of 26% in BVFCL with all of their PSUs but none of them was agreed with the proposal. Meanwhile, Oil India Limited (OIL) have submitted the revised proposal and requested DoF to keep equity stake at maximum 10% of OIL in the proposed Brownfield project of BVFCL. “

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

(Recommendation No.17)

Cooperative Sector Fertilizer Units

5.6 Observations/Recommendations of Committee are as under :-

“The Committee note that the Department of Fertilizers is mandated to have administrative power over IFFCO (Indian Farmers Fertilizer Cooperative Limited) and KRIBHCO (Krishak Bharati Cooperative Limited). IFFCO and KRIBHCO are Multi-state-cooperative Societies (MSCS) registered under MSCS Act. In 2002, Government of India enacted amended MSCS Act 2002. Subsequently, both IFFCO and KRIBHCO amended their Bye-Laws without explicit approval/concurrence of Department of Fertilizers. The repatriation of Government of India equity by IFFCO and KRIBHCO is disputed as it was done in violation of the then IFFCO Bye Laws which was illegally and unlawfully amended by IFFCO and KRIBHCO. With regard to IFFCO, the Department of Fertilizers filed appeal under Section 99 of MSCS Act, 2002 before Appellate Authority and Additional Secretary (AS), DAC&FW on 04.08.2017 which was dismissed by the Appellate Authority on 28.06.2018. Subsequently, this Department filed a review petition before Appellate Authority and Additional Secretary (AS), DAC&FW on 06.08.2018 whereupon the Appellate Authority passed order on 29.09.2018 in favour of Gol. However, aggrieved by the order of the Appellant Authority, IFFCO filed WP No 10637/2018 in Delhi HC on 04.10.2018. Hon’ble High Court of Delhi vide its

order dated 05.10.2018 stayed the impugned order dated 28.09.2018. Next date of hearing in the matter is scheduled on 23.01.2020. In case of KRIBHCO, this Department has also filed an Appeal under Section 99 of MSCS Act, 2002 before the Appellate Authority & Additional Secretary (AS), DAC&FW on 06.03.2019. The last hearing was held on 16.09.2019 and next date of hearing yet to be scheduled by Appellate Authority and Additional Secretary (AS), DAC&FW. In this regard, the Committee strongly recommend that the Department of Fertilizers shall vigorously pursue the legal cases to their logical end.”

Reply of the Government

In case of IFFCO, Counter affidavit has been filed on 07th September, 2019. Next date of hearing in the matter is 23.01.2020. With respect to KRBHCO matter, reminders have been issued to Appellate Authority and Additional Secretary (AS), DAC&FW for seeking the next date of hearing.

Department of Fertilizers is committed to taking action strenuously on both the legal cases.

[Ministry of Chemicals & Fertilizers (Department of Fertilizers) O.M. No. 14(2)/2019-Fin-I dated 18.02.2020]

New Delhi;

8 February, 2021

19 Magha, 1942 (Saka)

KANIMOZHI KARUNANIDHI
Chairperson
Standing Committee on
Chemicals and Fertilizers

Appendix – II

(Vide Para 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRD REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS (2019-20) ON DEMAND FOR GRANTS (2019-20) OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF FERTILIZERS).'

I	Total No. of Recommendations	12
II	Observations / Recommendations which have been accepted by the Government: (Vide Recommendation Nos. 1, 3, 7, 9, 12 & 13)	06
	Percentage of Total	35.29%
III	Observations / Recommendations which the Committee do not desire to pursue in view of the Government's reply:- (Vide Recommendation No.5 &11)	2
	Percentage of Total	11.76%
IV	Observations / Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration:- (Vide Recommendation No. 4,8 &10)	3
	Percentage of Total	17.64%
V	Observations / Recommendations in respect of which final replies of the Government are still awaited: (Vide Recommendation Nos. 2, 6, 14, 15, 16 &17)	6
	Percentage of Total	35.29%

**MINUTES OF THE TWELFTH SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2019-20)**

The Committee sat on Tuesday, the 11th August, 2020 from 1100 hrs. to 1430 hrs. in Committee Room No. 1 Block A, Extension to Parliament House Annexe Building, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi - Chairperson

MEMBERS

LOK SABHA

2. Shri Ramakant Bhargava
3. Shri Satyadev Pachauri
4. Shri Arun Kumar Sagar
5. Shri Uday Pratap Singh
6. Dr. Manoj Rajoria

RAJYA SABHA

- 7 Dr. Anil Jain
- 8 Shri Vijay Pal Singh Tomar
- 9 Shri Arun Singh
- 10 Shri A. D. Singh

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri Manoj K. Arora | - | OSD (LSS) |
| 2. | Shri A. K. Srivastava | - | Director |
| 3. | Shri C. Kalyanasundaram | - | Additional Director |

2. First the Hon'ble Chairperson expressed her deep sorrow on the sad demise of Rajya Sabha Member Shri Amar Singh who was also a sitting Member of the Committee. The Committee observed two minutes silence as a mark of respect to the departed soul.

3. The Hon'ble Chairperson then welcomed three Rajya Sabha Members viz. Shri P.Selvarasu, Shri A.D.Singh and Shri Vanlalvena who have been nominated as Members of the Committee.

4. The Committee thereafter took up for consideration and adoption the following draft Action Taken Reports:

- (i) Draft Action Taken Report on 'Demands for Grants 2019-20' (Department of Chemicals and Petrochemicals);
- (ii) Draft Action taken report on 'Demands for Grants 2019-20' (Department of Fertilizers); and
- (iii) Draft Action Taken report on 'Demands for Grants 2019-20' (Department of Pharmaceuticals).

5. After deliberations, the above mentioned Draft Action Taken Reports were unanimously adopted by the Committee without any changes/amendments.

Session II

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Session-III

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A copy of the recording of the proceedings of the sitting has been kept.

The Committee then adjourned.

xxx matters not related to this report.

**MINUTES OF THE FIRST SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2020-21)**

The Committee sat on Monday, the 12th October, 2020 from 1100 hrs. to 1145hrs. in Committee Room 'B', Parliament House Annexe, New Delhi

Ms. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2. Shri Deepak Bajj
3. Shri Ramesh Chandappa Jigajinagi
4. Shri Kripanath Mallah
5. Shri Satyadev Pachauri
6. Shri Arun Kumar Sagar
7. Shri Uday Pratap Singh
8. Shri Indra Hang Subba

RAJYA SABHA

9. Shri M.V. Shreyams Kumar
10. Shri Jaiprakash Nishad
11. Shri Anthiyur P. Selvarasu
12. Shri Arun Singh
13. Shri A.D. Singh
14. Shri Vijay Pal Singh Tomar
15. Shri K. Vanlalvena

SECRETARIAT

1. Shri Manoj K. Arora - Officer on Special Duty (LSS)
2. Shri Anil Kumar Srivastava - Director
3. Shri Panna Lal - Under Secretary

Session I

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Session-II

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2. The Committee thereafter took up for consideration and adoption of following draft Action Taken Reports:

- (i) Action Taken Report on Demands for Grants 2019-20 (Department of Chemicals and Petrochemicals);
- (ii) Action Taken Report on Demands for Grants 2019-20 (Department of Fertilizers);

- (iii) Action Taken Report on Demands for Grants 2019-20 (Department of Pharmaceuticals);
- (iv) Action Taken Report on Study of System of Fertilizer Subsidy (Department of Fertilizers).
- (v) Action Taken Report on Demands for Grants 2020-21 (Department of Chemicals and Petrochemicals);
- (vi) Action Taken Report on Demands for Grants 2020-21 (Department of Fertilizers);
- (vii) Action Taken Report on Demands for Grants 2020-21 (Department of Pharmaceuticals).

3. After deliberations, the Committee adopted the draft Action Taken Report(s) unanimously without any change/amendments. The Committee also authorized the Chairperson for finalize and present the Action Taken Reports to the Parliament.

4. The Committee also decided to hold its next sitting tentatively in the second week of November, 2020.

The Committee then adjourned.

XXXX matters not related to this report.