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Title: The Minister of State in the Ministry of Chemicals and Fertilizers and Minister of State in the Ministry of Parliamentary Affairs laid a statement regarding status of implementation of recommendations in 11th and 12th Report of Standing Committee on Chemicals and Fertilizers pertaining to Deptt. of Chemicals and Petrochemicals ; and Department of Fertilizers respectively.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE): Sir, with your permission, I beg to lay a statement on the status of implementation of recommendations contained in the Eleventh Report of the Standing Committee on Chemicals and Fertilizers in pursuance of Direction 73A of the hon. Speaker, Lok Sabha, as it is a very lengthy statement.

This statement is on the status of implementation of the Recommendations contained in the Eleventh Report of the Standing Committee on Demands for Grant 2006-07 of the Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals) in pursuance of the directions issued by the hon. Speaker, Lok Sabha.

The Standing Committee on Chemicals & Fertilizers examined the Demands for Grants of the Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals) for the year 2006-07 and presented their Eleventh Report to Lok Sabha on 19th May, 2006. The Report contains 21 Recommendations. The gist of the Recommendations is as follows:

- I) Implementation of the partially implemented / not implemented Recommendations in the Vth Report on Demands for Grants (2005-06).
- II) Requirement of funds at supplementary stage, if any, for the Plan projects.
- III) Measures to remove shortcomings in the plan performance of PSUs.

* Laid on the Table and also placed in Library. See No. LT 5624/2006

IV) Implementation of the provision of new schemes under Secretariat Economic Services head in a time bound manner.

V) Establishment of three new CIPET centres.

VI) Pro-rata compensation to victims of Bhopal Gas Leak Disaster

- VII) Removal of Toxic wastes from Union Carbide Plant site at Bhopal
- VIII) Early commissioning of Assam Gas Cracker Project
- IX) Full Utilisation of funds for IPFT
- X) NIPER to complete its programmes/projects in a time bound manner for proper Utilisation of funds
- XI) Substantial increase in the non-plan budget of PEPS
- XII) Health Insurance scheme for the poor and lower middle class people.
- XIII) Expeditious Finalisation of the New Schemes of the Department
- XIV) Speedy computing of the liabilities of the companies regarding recovery of overcharged amount.
- XV) Funds for NE Region to be utilized during the financial year and transferred to the non-lapsable pool in rare cases
- XVI) Proper analysis/ evaluation of projects to avoid loss to exchequer.
- XVII) Implementation of rehabilitation schemes of HOCL/HAL
- XVIII) Implementation of rehabilitation scheme of HIL
- XIX) Revival of IDPL /HIL in a time bound manner
- XX) Revival of BCPL
- XXI) Revival of all PSUs under the Department of Chemicals & Petrochemicals

The partially implemented/not implemented recommendations of the Standing Committee contained in the 5th Report on Demands for Grants (2005-06) of Department of Chemicals & Petrochemicals have been re-examined. The Department has been making all efforts in rehabilitating the sick PSUs. A sum of Rs.423.69 crore has already been approved by the Ministry of Finance in the Ist Batch of Supplementary Demands for Grants for 2006-07. Rehabilitation of Hindustan Antibiotics Ltd. (HAL) is in process and based on the recommendation of the Cabinet, a sum of Rs.123.69 crore through 1st Supplementary Demand for Grants (2006-07) has been released in favour of the company. In the rehabilitation of HOCL, a sum of Rs.250.00 crore has been released towards redeemable non-cumulative preference shares of the company. CCEA in its meeting held on 27.7.2006 approved the revival proposal in respect of Hindustan Insecticides Ltd. The revival proposal is being implemented by the PSU. IDPL is expected to submit its rehabilitation scheme soon for consideration of the Government. On receipt, it would be examined on priority. However, a sum of Rs.6.00 crore has already been released for making the units of IDPL Schedule M compliant and upgrading the facilities at Muzaffarpur and Hyderabad. The Department has appointed a Committee to explore the possibilities of Revival of Bengal Immunity Ltd. (BIL). The Committee has since submitted its report and the same is under consideration of the Department.

The Rehabilitation Scheme for revival of Bengal Chemicals & Pharmaceuticals Ltd. (BCPL) has been approved by BRPSE. The scheme will be placed before the CCEA for its approval. The Government is making all efforts to ensure that new centres of Central Institute of Plastics Engineering & Technology (CIPET) at Panipat, Jaipur and Aurangabad are fully set up by March 2009. An amount of Rs.16.50 crore has been released up to 31.10.2006 for this purpose. Assam Gas Cracker Project has been approved by CCEA. The cost of the project is Rs.4460.61 crore (fixed cost). A capital subsidy for Rs.2138.00 crore for the project on fixed cost basis and a feedstock subsidy for Rs.908.91 crore for the project spread over 15 years shall be provided by Government of India. Department of Chemicals & Petrochemicals has constituted a Monitoring Committee for early implementation of the Project. The Monitoring Committee has taken several meetings to review the implementation of Assam Gas Cracker Project. IPFT has already initiated necessary action for filling up of various posts and the whole process of recruitment is expected to be completed by 31 SI December 2006. The process of distribution of pro-rata compensation to Bhopal Gas victims is still going on. As on 10.11.2006, a sum of Rs.1494.65 crore has been disbursed among 5,58,072 claimants. A Task Force has been set up under the Chairpersonship of Secretary (C&PC) for monitoring the removal/disposal of the toxic wastes lying in and around the UCIL plant at Bhopal. The Cabinet has approved the Note of this Department on Purchase Preference Policy (PPP) for products of Pharma Central Public Sector Enterprises (CPSES) and their subsidiaries. The decision will help Government Institutions in making available quality drugs to the beneficiaries under various Health Schemes. It will also help in optimum utilisation of assets of PSUs created with public funds. A draft Cabinet Note on National Pharmaceutical Policy 2006 with various proposals including provision of free/cheaper medicines to the poor was circulated by the Department amongst various Ministries/Departments. The comments have been received and will be taken into consideration in finalizing National Pharmaceutical Policy 2006.

(ii) Status of implementation of recommendations contained in 12th Report of Standing Committee on Chemicals and Fertilizers, pertaining to the Department of Fertilizers

* THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE): Sir, I rise to make a statement on the status of implementation of recommendations contained in the Twelfth Report of the Standing Committee on Chemicals and Fertilizers in pursuance of Direction 73A of the hon. Speaker, Lok Sabha. I would like to lay it on the Table of the House as it is a very lengthy statement.

MR. SPEAKER: Yes, you can lay it on the Table of the House.

SHRI B.K. HANDIQUE : *The Department of Fertilizers (DoF) comes under the Ministry of Chemicals & Fertilizers. The main objective of the Department is to ensure adequate and timely availability of fertilizers for maximizing agricultural production in the country and for this purpose to promote and assist industries in the fertilizer sector and to plan and arrange import and distribution of fertilizers.

2. The main activities of DoF include planning promotion and development of the fertilizer industry, programming and monitoring of production, pricing, import and supply of fertilizers and management of financial resources by way of subsidy/concession for indigenous and imported fertilizers. The Department also disburses payments to manufacturers/importers of decontrolled fertilizers under the concession scheme made available to the farmers at the indicative Maximum Retail Price (MRP).

* Laid on the Table and also placed in Library. See No. LT 5625/2006

3. In addition, the activities of DoF also include the administrative control of the following public sector undertaking and cooperatives in the fertilizers sector: -

- (i) FCI (under closure)
- (ii) FACT
- (iii) MFL
- (iv) NFL
- (v) RCF
- (vi) BVFCL
- (vii) HFC (under closure)
- (viii) PDIL
- (ix) PPCL (under closure)
- (x) FCI, Aravali Gypsum Minerals India Ltd.
- (xi) KRIBHCO.

4. The office of the Executive Director, Fertilizers Industry Coordination Committee (FICC) also works under the Department of Fertilizer. This office provides the secretariat support to FICC constituted to administer the Retention Price Scheme for Nitrogenous Fertilizers and various incentive schemes to augment indigenous production of fertilizers.

5. I am making the statement on the status of implementation of the recommendations contained in the twelfth report of the Standing Committee on Chemicals & Fertilizers in pursuance of direction 73-A of the hon. Speaker, Lok Sabha, issued *vide* Lok Sabha Bulletin Part II dated September 01, 2004.

6. The Standing Committee on Chemicals and Fertilizers examined Demand for Grants of the Department of Fertilizers for the year 2006-2007, and presented the twelfth report to Lok Sabha and Rajya Sabha on 19th May, 2006. The report contained 19 recommendations. These recommendations related to :-

- i) Regional imbalances in fertilizers consumptions; direct subsidy to the farmers and containment of hoarding/black marketing of units; revival of the sick, loss making and closed fertilizer PSUs; Namrup-II revamp project and recovery of the balance amount from M/s. Karsan Limited etc.
- ii) Stagnation in the production capacity of fertilizers in the country. The entire process of project planning and implementation in the PSUs/cooperative units under the administrative control of the Department of Fertilizers should be reviewed and streamlined. The Department of Fertilizers should review the progress of all projects in a scientific manner on a regular basis.
- iii) The Department of Fertilizers is to identify the projects and other related issues to be taken up in the 11th Five Year Plan and evolve suitable plan strategies for meeting the fertilizer requirements of the country.
- iv) The efforts should be made to enhance the production capacity of fertilizers so as to reduce the dependence of the country on import for making fertilizers available to the farmers particularly when the cost of indigenously produced urea is less than the cost of Imported urea.
- v) The Department of Fertilizers should continue their efforts for getting requisite funds to implement the plans / projects as also to meet the subsidy bills which have even carried over liabilities of the year 2005-2006.
- vi) The Department of Fertilizers should vigorously pursue the matter with the Ministry of Finance and Planning Commission for increasing allocation for fertilizers subsidy in the supplementary grants.
- vii) All necessary steps should be taken to ensure timely and adequate availability of fertilizers, so that, the farmers are not left at the mercy of the hoarders and black marketers.
- viii) The process of formulating a policy for urea beyond 31.03.2006 should have been completed well in advance to avoid the prevailing uncertainty. The Government should finalize the same without further delay.
- ix) The whole process of examination of proposals for revival of fertilizers units should be expedited and a time frame should be fixed for their compilation.

- x) The Department of Fertilizers have sought priority for allocation of gas to the fertilizers industry. The Committee have recommended that like the energy sector, fertilizer sector should be given top priority in the allocation of gas.

- xi) The scope and quantum of the Rainfed Farming project should be enlarged substantially as this will help in enhancing the livelihood of the tribal and rural communities which will result in their economic empowerment and integration in the mainstream of the society.

- xii) Committee are of the opinion that the Department of Fertilizers should play a major role in production, promotion and publicity for maximum use of bio-fertilizers by the farmers in the country, particularly when all the fertilizer production units are under its administrative control.

7.All the recommendations, of the Standing Committee contained in the twelfth report of 2006-07, have been received and considered in the Department of Fertilizers. The Action Taken Replies to these recommendations have been sent to the Committee.

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