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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 the recommendations contained in the 15th Report of the Standing Committee on Chemicals and Fertilizers, pertaining to the Department of Fertilizers, Ministry of Chemicals and 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. HANDIQUÉ): I beg to lay the Statement regarding status of implementation of recommendations in the 15th Report of the Standing Committee on Chemicals and Fertilizers.

Sir, the Department of Fertilizers (DOF) comes under the Ministry of Chemicals and 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.

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).

In addition, the activities of DOF also include the administrative control of the following public sector undertakings and cooperatives in the fertilizers sector:-

* Laid on the Table and also placed in Library. See No. LT 7482/07

- (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

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.

I am making the statement on the status of Implementation of the recommendations contained in the fifteenth report of the Standing Committee on Chemicals & Fertilizers in pursuance of direction 73-A of the Hon'ble, Speaker, Lok Sabha, issued vide Lok Sabha Bulletin Pt. II dated Septemebr 01, 2004.

The Standing Committee on Chemicals and Fertilizers had examined the follow-up action by the Government on the recommendations contained in the Sixth Report of the Committee on Demands for Grants (205-06) of the Department of Fertilizers. The Committee have also reviewed the progress of implementation of the recommendations contained in the Ninth and Twelfth Reports and also the Action Taken Replies submitted by the Department of Fertilizers. Fifteenth Report was presented in Lok Sabha and Rajya Sabha by the Committee on 27th February, 2007 and 1st March, 2007 respectively. This report contained 7 recommendations on which final replies of the Government were required to be submitted. In addition there were two recommendations on which replies of the Government were also required to be submitted. These recommendations related to:

- (i) Balanced use of fertilizers, formulation and implementation of Stage- III Policy of New Pricing Scheme for urea units, de-bottlenecking/revival of sick/loss making and closed fertilizers PSUs, recovery of balance amount from M/s Karsan Limited.
- (ii) Shortfall in utilization of Plan funds during 10th five year Plan, non-implementation of projects.
- (iii) Review of trends in fund utilization, project planning and implementation in the PSUs/Co-operatives.
- (iv) Identification of projects and plan strategies, planning for 11th five year plan for meeting the fertilizer requirements.
- (v) Finalization of New Pricing Scheme (NPS) for urea units beyond Stage- II which expired on 31.3.2006.
- (vi) Disbursement of subsidy on fertilizers direct to the farmers.
- (vii) Proposals for de-bottlenecking and expansion of fertilizers units.
- (viii) Proposals for revival of fertilizers units.
- (ix) Evaluation of the success of Sankat Haran Bima Yojana Policy for the fertilizers industry.

The Action Taken Replies on the above recommendations have been submitted to the Committee on 28.6.2007.

12.06 hrs.

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