

No. 16015/1/2019-PMI
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated : 23rd October, 2019

OFFICE MEMORANDUM

Subject : Monthly Summary to the Cabinet for the month of September 2019 reg.

The undersigned is directed to circulate herewith the Monthly Summary pertaining to the Department of Fertilizers for the month of September 2019, for information.

This issues with the approval of competent authority.



(Johan Topno)
Deputy Secretary to the Govt. of India
Tel. 011-23388064

To,

1. All members of Council of Ministers

Copy to :

1. Secretaries to the Govt. of India, All Ministries/Departments
2. Director, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi-110004.
3. Sr. PPS to Secretary (F)
4. NIC for uploading on DoF website.

Subject : Monthly Summary of Dept. of Fertilizers for the month of September 2019.

1. Overall Production Performance during the month :

Product Name	Production during the month	Cumulative production upto the month
Urea	20.93	118.13
DAP	3.39	21.63
Ammonium Sulphate (A/S)	0.56	2.86
Complex Fertilizers	8.10	43.00
Single Super Phosphate	3.82	22.00

(Fig. in 'LMT')

Source mfms.nic.in as on 07.10.2019

2. Assessed Requirement, Availability and Sales of fertilizers during the month :

Product Name	Assessed Requirement	Availability	Sales
Urea	24.28	87.93	29.26
DAP	7.82	60.37	6.33
MOP	3.19	18.69	2.78
Complex	9.34	57.98	11.50

(Fig. in 'LMT')

Source of data is Dashboard as on 30.09.2019

3. Details of Imported Finished Fertilizers during the month:

Product Name	Quantity in 'LMT'
Urea	10.60
MOP for Agriculture use	0.94
DAP	6.46
NPK	0.59

4. Status of revival of closed units of FCIL/HFCL

(a). Revival of Ramagundam Unit:-

- Ramagundam unit of FCIL is being revived on nomination basis by consortium of PSUs namely Engineers India Limited (EIL), National Fertilizers Limited (NFL) and FCIL by setting up a gas based fertilizer plant of 1.27 MMTPA Capacity. As on 15th September, 2019, 98.3% of physical progress of the project has been made. The project is likely to be commissioned in Feb, 2020.
- The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last such review meeting was held on 23.09.2019.
- A Committee has been constituted under the chairmanship of Sh. Dharam Pal, Addl. Secretary, DoF vide OM dated 23.07.2019 to examine the pending issues between GITL & RFCL pertaining to compression cost, amendments to Gas Transmission Agreement (GTA) dated 08.07.2016, signing of Gas Supply Agreement (GSA) and assignment of capacity to GAIL enabling them to deliver gas on delivered basis at RFCL Ramagundam.
- 3rd meeting of above Committee was held on 24.09.2019 wherein after due deliberations, Committee recommended following: -
 - i. Since RFCL is already having enforceable GSA with GAIL, GAIL will supply gas quantity as required by RFCL as per existing GSA with GAIL. GAIL will reimburse compression charges to RFCL (monthly compressor rent plus cost of system use gas).
 - ii. For transportation of gas, GITL was requested to ensure the delivery of gas at RFCL Ramagundam immediately. Necessary contractual documents may be executed between RFCL and GITL at the earliest possible. However, signing of contractual documents will not become impediment for gas transportation at RFCL Ramagundam
 - iii. Regarding amendment to GTA, 29 KM spur line shall be considered as part of common carrier pipeline as already decided by PNGRB.

Based on the recommendations of the Committee, Ramagundam and GITL have been asked to take necessary action.

b). Revival of Talcher Unit:

- Talcher unit is being revived through 'Nomination Basis' by forming a JV of nominated PSUs. JV company has been named as Talcher Fertilizers Ltd. (TFL). Equity of GAIL, RCF & CIL in TFL is 29.67% each & FCIL's 10.99 %. New Ammonia Urea plant of 1.27 MMTPA capacity based on Coal Gasification Technology is being set up. On 11.09.2019, TFL has awarded LSTK contract for Coal Gasification to M/s Wuhuan Engineering Co. Ltd, China.

- The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last such review meeting was held on 23.09.2019.
- Revised DFR of TFL has been approved by TFL Board and subsequently the Board of CIL, GAIL, RCF and FCIL.
- A meeting of Empowered Committee of Secretaries (ECoS) was held under the chairmanship of Secretary (Fertilizers) on 02.09.2019 to deliberate on the issue relating to reduction in the equity of FCIL in TFL from 11% to 4.45%. Minutes of meeting will be circulated after approval of concerned Secretary of departments / Ministries who are the members of ECoS. Accordingly, file is in circulation to these Ministries / Departments.

(c) Revival of Gorakhpur, Sindri, and Barauni units: -

- Gorakhpur, Sindri and Barauni units are being revived through a joint Venture company by name Hindustan Urvarak & Rasayan Limited (HURL) of Public Sector Undertakings, namely, National Thermal Power Corporation, Coal India Limited, Indian Oil Corporation Limited and Fertilizer Corporation of India Limited / Hindustan Fertilizer Corporation Limited by setting up gas based fertilizer plants of 1.27 MMTPA capacity each. Status of these projects is as under: -
- As on 25.09.2019 the overall LSTK works progress at Gorakhpur, Barauni and Sindri Projects of HURL are 69.9 %, 51.3 % and 50.1 % respectively, which are largely as per schedule.
- All major Long Lead Items have been ordered for all three Projects.
- The progress reports of Non LSTK packages and EPCM non packages for all three projects are under preparation by PDIL-PMC. Action plan for award of balance Non LSTK packages and post award works of critical Non LSTK packages has been finalized and being monitored on regular basis.
- In pursuance of CCEA decision to grant IFL to HURL, Department of Fertilizers prepared a draft Loan Agreement, as per rule 253(2) (i) GFR, 2017, which is to be executed between Department of Fertilizers and HURL. Comments of D/o Economic Affairs and D/o Expenditure were sought on the same. D/o Expenditure vide OM dated 01.10.2019 has conveyed some observations on the draft Loan Agreement. After due examination of these observations, reply will be sent to D/o Expenditure.
- These Projects are likely to start production by 2021. The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last review meeting was held on 23.09.2019.

5. Expenditure position:

As against an available budget of Rs. 83476.00 Crore for F.Y. 2019-20, expenditure on administration of fertilizer subsidy during September 2019 was Rs. 8901.01 Crore (P&K : Rs. 3563.81 Crore, Urea: 5332.13 Crore, City Compost : 2.32 Crore & Exp. On DBT professional 2.75 Crore). Progressive expenditure upto 30th September 2019 was 56861.37 Creore (P&K : 18273.35 Crore, Urea : 38567.73, City Compost : 15.95 Crore and Exp. On DBT professional 4.34 Crore) i.e. 68.12 % of the total allocation.

6. Submission of Cabinet Note:

(i). **Non revival of Haldia unit:** Final copies of the CCEA Note were forwarded to the Cabinet Secretariat on 26.07.2018. The proposal for handing over of HFCL land at Haldia to KoPT was delinked from the CCEA Note as per the directions of Cabinet Secretariat and has been taken up separately. Cabinet Secretariat's guidelines dated 25.05.2009 & 04.06.2019 stipulates that the requirement of inter-ministerial consultation was dispensed with in all cases where consultations were held during six months prior to formation of the new Government. Accordingly, the file is under submission for obtaining approval of Hon'ble Miniser (C&F) for afresh inter-ministerial consultation on the draft CCEA note.
