

**Annual Report
2019-20
Government of India
Ministry of Chemicals and Fertilizers
Department of Fertilizers**

CONTENTS

| S. No. | Subject | Page No. |
|--------|---|----------|
| 1. | Introduction | 1 |
| 2. | Organisational Setup and Functions | 2 |
| 3. | Development and Growth of Fertilizer Industry | 9 |
| 4. | Availability and Movement of Major Fertilizers during 2016-17 | 12 |
| 5. | Financial Performance | 17 |
| 6. | Measures of Support for the Fertilizer Sector | 18 |
| 7. | Public Sector Undertakings | 42 |
| 8. | Promotion of Balance Use of Nutrient Fertilizers | 121 |
| 9. | Integrated Fertilizer Monitoring System(iFMS) | 126 |
| 10. | Right to Information Act , 2005 | 131 |
| 11. | Vigilance Activities | 132 |
| 12. | Progressive Use of Official Language | 133 |
| 13. | Welfare of SCs, STs, OBCs and Physically Handicapped Persons | 138 |
| 14. | Sevottam, Grievances Redressal, E-Samiksha and Pragati | 140 |
| 15. | Audit Report | 142 |
| 16. | Annexure I-XXIX | |

CHAPTER- I

Introduction

- 1.1** Agriculture contributes 17.1% to the country's Gross Value Added for the year 2017-18 (at current prices). 54.6% of the population is engaged in agriculture and allied activities (census 2011). Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five-year plans have laid emphasis on self-sufficiency and self-reliance in food grain production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million tonnes in 1951-52, *food grain production* increased to 284.95 million tonnes in 2018-19. While the target for 2019-20 has been kept at 291.10 million tonnes, the domestic requirement of food grains and also generating exportable surpluses, the significant role played by chemical fertilizers is well recognised.
- 1.2** As of now, the country has achieved 80% self-sufficiency in production capacity of Urea. As a result, India could manage its substantial requirement of nitrogenous fertilizers through the indigenous industry besides imports. Similarly, 50% indigenous capacity has been developed in respect of phosphatic fertilizers to meet domestic requirements. However, the raw-materials and intermediates for the same are largely imported. For potash (K), since there are no viable sources/reserves in the country, its entire requirement is met through imports.

Growth of fertilizer industry

- 1.3** The actual production of all the Fertilizers during the year 2018-19 was 414.85 LMT. The estimated Production of all the Fertilizers during the year 2019-20 is expected to be 462.15 LMT showing an increase of more than 11.40% in comparison of the previous year. The rapid build-up of fertilizer production in the country has been achieved as a result of a favourable policy environment facilitating investments in the public, co-operative and private sectors.
- 1.4** At present, there are 32 large size urea plants in the country manufacturing urea, 19 units producing DAP & complex fertilizers and 2 units manufacturing Ammonium Sulphate as a by-product.
- 1.5** The unit-wise details of Installed/Reassessed Capacity and production during the year 2018-19 & estimated production during the year 2019-20 are given in **Annexure-I**.
- 1.6** The Product-wise & Sector-wise details of Installed/Reassessed Capacity and production during the year 2018-19 & estimated production during the year 2019-20 are given in **Annexure-II**.
- 1.7** Production of Urea, DAP & Complex fertilizers during 2001-02 to 2019-20 (upto November, 2019) are at **Annexure-III**.
- 1.8** Unit-wise production of Urea during 2014-15 to 2019-20 (upto November, 2019) are at **Annexure- IV**.

CHAPTER- 2

Organisational Set up and Functions

2.1 The main functions of the Department of Fertilizers include planning, promotion and development of the fertilizer industry, planning and monitoring of production, import and distribution of fertilizers and management of financial assistance by way of subsidy/concession for indigenous and imported fertilizers. A list of activities falling under the jurisdiction of the Department of Fertilizers is at **Annexure-V**.

2.2 The Department of Fertilizers consists of following divisions/attached offices dealing with:

1. Fertilizers Projects and Planning (Urea Policy Division).
2. Phosphatic&Potassic Fertilizers (P&K Division) and Joint Ventures abroad (IC Division).
3. Fertilizer Imports, Movement and Distribution (Movement Division).
4. PSU Division (dealing with PSUs) & Board Level appointments.
5. Fertilizer Industry Coordination Committee (FICC), an attached office.
6. Fertilizers Subsidy (FS Wing) dealing with payment of subsidy.
7. General administration, Establishment, Parliament, Coordination, Information Technology, RTI matters & Vigilance
8. Planning, Monitoring and Innovation(PMI)and City Compost
9. Finance and Budget (IFD)
10. Direct Benefits Transfer (DBT)
12. Official Language (Hindi Cell)
13. Shipping Division

2.2.1 **UPP Wing** deals with Urea Policy namely modified New Pricing Scheme –III and New Investment Policy- 2008 & 2012 to encourage urea production in the country & to make urea available to farmers at an affordable price. Apart from these policies, UPP Section also deals with policy for encouraging production and availability of fortified and coated fertilizers in the country besides looking after the issues relating to requirement of coal and other inputs i.e. Naphtha, Natural Gas, and FO/LSHS/LNG.

2.2.2 **P&K Wing** deals with matters relating to promotion of balanced application of P &K in soil for maximizing agriculture production and also to promote P&K fertilizers industry in the country. P&K Division is also entrusted with the work relating to administration/ implementation of Nutrient Based Subsidy (NBS)Policy for decontrolled P&K fertilizers including SSP. The policy issues pertaining to erstwhile concession scheme.

- 2.2.3 IC Wing:** In order to secure supply of P&K Fertilizers and raw material/intermediates as well as urea requirements, the Division is also assigned the task to initiate and finalize joint ventures and long-term off take arrangements with countries having rich fertilizers/raw materials resource, matters relating to WTO/EXIM Policy/ Commerce/Mines etc. are dealt with by International Cooperation (IC) wing.
- 2.2.4 Movement Wing** deals with season wise assessment of subsidized fertilizers (urea, DAP, MOP and NPK) in consultation with DAC and to ensure adequate and timely availability of fertilizers to the farmers in all parts of the country, prepares agreed supply plan in consultation with Manufactures/Importers to fulfil the monthly requirement in the country. The movement of all major subsidized fertilizers is monitored through an online web based monitoring system i.e. integrated Fertilizers Monitoring System (iFMS).
- 2.2.5 PSU Wing** deals with matters relating to financial performance, annual accounts, MoUs, Budgetary support (non-plan) to corporate affairs, revival/ rehabilitation of sick PSUs, issues relating to BIFR, formatting of new PSUs and all matter incidental thereto in respect of nine fertilizers PSUs i.e. RCF/NFL/MFL/FACT/BVFCL/FAGMIL/PDIL/FCIL/HFCL, matters relating to two Multistate Cooperative Societies i.e. IFFCO/KRIBHCO, the work relating to disinvestment of companies, all establishment matters related to PSUs including Board level appointments, Nomination of Part-time official and Non-official Directors in fertilizers PSUs.
- 2.2.6 FICC** is an attached office under the Department of Fertilize headed by an Executive Director. FICC is responsible to evolve and review periodically, the group concession rates including freight rates for units manufacturing nitrogenous fertilizers, maintain accounts and make payment to/ and recover amounts from fertilizers companies, undertake costing and other technical functions, collect and analyse producing data, costs and other information etc.
- 2.2.7 FS Wing** deals with payment of cost of imported urea of OMIFCO/Canalizing agencies, recovery of Pool issue price of urea from Handling Agencies, Ocean freight payments to vessel owners, subsidy disbursement in respect of indigenous & Imported P & K fertilizers, SSP and City Compost including freight subsidy, Administrations of FMS and iFMS, reimbursement of freight, insurance charges, custom duty, handling charges etc.
- 2.2.8 Administration Wing** consists of Administration, Establishment, Information Technology (IT), RTI and Cash. Administration deals with supply of day to day articles needed for smooth running of office, housekeeping services, maintenance of office equipment including air conditioners, photocopiers etc., printing of annual report, outcome budget, DDG etc., hospitality services. **Establishment (erstwhile**

HR-II) deals with all service related matters of officers/officials of Department of Fertilizers. **Parliament Section** work related to the Meetings of consultative committee, Standing committee, Parliamentary assurances etc and also centralized handling of parliament questions like marking of questions, handling of question once questions gets approved by Joint Secretary/Secretary, taking approval of Minister and submission of necessary copies to Lok Sabha / Rajya Sabha/ PIB etc. **IT section** deals with procurement of computers/ software and its peripherals, printers, e-office related work, and DEO related matters, payment for iFMS etc. and also all matters related to RTI. **Cash section** deals with salary and other advances and processing of various bills for payment in coordination with Pay and Account Office of this department. Calculation of annual income tax of officials, maintaining various financial books/records etc.

2.2.9 Coordination Section deals with all matters relating to coordination wherein more than 2-3 sections/divisions of the Department are involved or PSUs are involved, grievance related matters, VIP references related to personal representations, eSamiksha, Pragati, Citizen Charter, Channel of Submission and final disposal of cases, Cabinet Notes received from other Ministries/Departments, RTI matters, preparation of Annual Report etc.

2.2.10 PMI Division to evaluate, production input, review & formulate policies for any long planning in respect of Fertilizers. PMI also entrusted with the work related to Techno Economic Clearance for renovation/modernization scheme and the project covered under Project Imports in the fertilizer sector for availing concessional custom duty on imported goods; Review of monthly and quarterly performance of Public Sector Undertakings through holding of Quarterly Review Meetings; all matters relating to Bio-fertilizers, balanced fertilizers, soil health cards, nutrient absorption issues, micro-nutrients etc., organic fertilizers based on Urban solid waste including City Compost; Publication of Yearbook, Fertilizers Statistics of India (Indian Fertilizer Scenario); Clean technology and general environmental issues; Monitoring of International prices of fertilizers and fertilizer inputs; Replying to Parliament questions/RTI/VIP references; furnishing various information to DAC& FW and other Ministries for inclusion in their Publications etc. This division also deals with the compilation of production data of major fertilizers-Urea, DAP and Complex Fertilizers; setting of annual and monthly production targets to all Urea, DAP & Complex Fertilizers manufacturing units; monitoring and compilation of the production data of major fertilizers on daily and monthly basis company-wise, season-wise, sector-wise and nutrient-wise formats; preparation of Monthly D.O. letter to Cabinet Secretariat; Monthly Quick Estimate of fertilizers production for CSO, Ministry of Statistics & Programme Implementation (MOSPI) and Index of Industrial Production (IIP) data for MOSPI and DIPP (M/o Commerce). P&I section also provide production data on major fertilizers for various publications including Annual Report of DoF, Economic Survey etc. Further briefs/analytical notes are provided for formulation of policy etc. It also deals with the work relating to new

innovative fertilizers & Innovation for the fertilizer sector (viz. Nano +fertilizer etc.) and Indian Council for Fertilizers and Fertilizer Technology Research (ICFFTR), a society which has been constituted for the research & development work in Fertilizer sector in collaboration of fertilizer PSUs.

2.2.11 *The Integrated Finance Division (IFD) consisting of two sections Fin.I and Fin.II.* This Division performs various vital functions. viz. Preparation of Annual Budget, dealing with matters relating to Supplementary Demands for Grants, re-appropriation of funds and Vote on Accounts. Besides these, Detailed Demands for Grants and Outcome Budget of the Department are also prepared by IFD. IFD also deals with Parliamentary Standing Committee matters relating to Detailed Demands for Grants, Financial Concurrence to various policy matters and subsidy payments and also does coordination work relating to Audit paras.

2.2.12 Pay and Accounts Office (PAO) -Accounting Organisation of the Department of Fertilizers

Secretary of the Department is the Chief Accounting Authority of the Department of Fertilizers who is assisted by a Financial Adviser and a Chief Controller of Accounts to perform his/her duties.

The Accounting Organization of the Department of Fertilizers is headed by a Chief Controller of Accounts (CCA) who is assisted by a Principal Accounts Office, Pay and Accounts Office (PAO) and an Internal Audit Wing in the discharge of his / her duties

The principal duties of the O/o Chief Controller of Accounts are enumerated below:

- i. Arranging all payments of Department of Fertilizers including FICC, pertaining to fertilizer subsidy claims (DBT & non-DBT), loans & investments as well as personal claims through the Public Financial Management System (PFMS)
- ii. Accounting of all Payments and Receipts of the Department and their consolidation on a monthly and annual basis in the form of Appropriation Accounts, Finance Accounts and Statement of Central Transactions.
- iii. Internal Audit of utilization of funds released out of the Consolidated Fund of India & maintenance of accounts/ records thereof.
- iv. Assisting Chief Accounting Authority and Financial Adviser of the Department in expenditure control and maintaining the even pace of expenditure.
- v. Arranging and disbursement of payments of Pensions and other retirement benefits to the officers and staff of the Department of Fertilizers including FICC.
- vi. Rendering technical advice to the Department on Accounts related matters.

2.2.13 Vigilance wing deals with complaints received from various sources such as CVC, DoPT, etc. regarding the employees of Department of Fertilizers and the Board level Employees of the PSUs under the DOF. It appoints Chief Vigilance Officers in the PSUs under the Administrative control of DOF, in consultation with CVC and DoPT. Besides this, Vigilance Section maintains and reviews the Agreed list, ODI list, Annual property return, etc. and issues Vigilance Clearance in respect of the employees of DOF and Board Level Officers of the PSUs.

2.2.14 Shipping division deals with the examining of shipping documents received from the suppliers of the cargo relating to handling agents, examining the terms, conditions and exceptions of charter party agreement of the vessel for ascertaining the feasibility in handling operation, monitoring the discharge and evacuation of cargo at the ports, settlement of demurrage/dispatch at the load and discharge port and finalizing the Lay time calculations in terms in CP. It also deals with the examining of Joint Draft Survey report to ascertain the quality and quantity of urea cargo received, monitoring the production, stock and daily rate of production of granular urea by Oman India Fertilizers Company, Examinations of specifications of vessels offered by RCF for loading urea cargo, examinations of fixture note and charter party terms, conditions and exceptions, fixation of urea vessels including OMIFCO urea and nomination of discharge port, study of general average cases and preparation of brief/write-ups for counsels in maritime arbitrations, co-ordination with OMIFCO, Handling agents) IFFCO and KRIBHCO) and RCF regarding shipping arrangements, Invitation, scrutiny and finalization of bids from pre-qualified handling agents for handling and distribution of imported urea at Indian ports.

2.2.15 Official Language (Hindi Cell) deals with the matters relating to official language, translation from Hindi to English and English to Hindi, conducting Hindi training to the staff of the department, implementing orders under official language in department and fertilizers companies, conducting Hindi workshops, promotion of Hindi language and give suggestion to Hindi Official Department from time to time, conducting meetings regarding implementation of Hindi.

2.2.16 DBT Cell deals with introduction of DBT in fertilizer subsidy payments. The Cell functions under the supervision of a Joint Secretary level officer assisted by a Director and one Under Secretary. The DBT Cell has appointed a PMU and State Coordinators in different states and District Consultants in pilot districts to oversee deployment of PoS devices, training to retailers etc. for Pan India rollout of DBT in all the states in a phased manner.

2.3 The work of all the wings of Department of Fertilizers is headed by Secretary and supported by Additional Secretary, Joint Secretaries and Economic Adviser.

2.4 *The names of Minister-in-charge and the officers upto the level of the Deputy Secretary who are working in the Department as on 01-11-2019 are mentioned in Annexure-VI.*

2.5 Attached Office: Fertilizer Industry Coordination Committee (FICC)

- 2.5.1** FICC is responsible for calculation of concession rate of indigenous urea. The provisional quarterly concession rates due to variations in the cost of inputs for 31 urea units were completed and the final concession rate would be taken up after the end of the financial year.
- 2.5.2** FICC is the aggregator for compilation of gas pool data as per the Gas Pooling guidelines issued by the Ministry of Petroleum & Natural Gas. The monthly weighted average gas pool price of 25 gas based urea units were compiled and the same were forwarded to Pool Operator (GAIL) for issue of notification.
- 2.5.3** The projected quarterly additional quantity of gas required by urea units to meet the gap in the existing contracted quantity are compiled and forwarded to the Pool Operator (GAIL) for sourcing of gas under the supervision of EPMC as required under the Gas Pooling guidelines issued by the Ministry of Petroleum & Natural Gas.
- 2.5.4** In order to streamline and reduce the processing time of examination and calculation of the invoice-wise gas data received from the urea units, a software module "Gas Pool Price Fixation" has been developed and integrated under "Integrated Fertilizer Management System (iFMS)" on 01.01.2020 on trial basis.
- 2.5.5** In compliance with NBS policy, the cost data received from NPK manufacturers/importers were scrutinized for unreasonableness of MRP /Profit of both imported and indigenous NPK fertilizers viz., DAP, MOP, SSP, Complex fertilizers and mixtures of about 150 manufacturers/importers for the year 2015-16 to 2018-19 were forwarded to the Department of Fertilizers for taking necessary action.
- 2.5.6** During the current year, all the carry over liabilities of previous years were paid to indigenous urea units. The urea subsidy is released as per the budgetary allocation.
- 2.5.7** During the period, FICC compiled quantitative and financial data in respect of Inputs viz., different types of gases consumed and other fuels used in the production of urea, data relating to indigenous production of urea, analytical report on the financial implication of different proposals for policy formulations were provided to the Department of Fertilizers.
- 2.5.8** The Fertilizer Industry Coordination Committee (FICC) constituted on 1st December 1977 to administer and operate the Retention Price, was reconstituted on 13th March

2003 for administration of the concession scheme under New Pricing Scheme (NPS) of Urea.

2.5.9 FICC is an attached office under the Department of Fertilizers and is headed by Executive Director. The Chairman of FICC is the Secretary (Fertilizers) and the members are represented from (1) Fertilizers Industrial Policy and Promotion of Agriculture & Cooperation, (2) Department of Expenditure (3) Ministry of Petroleum and Natural Gas, (4) Tariff Commission (5) Two representatives of the urea industry. ED(FICC) is the Member Secretary.

2.5.10 The scope and functions of the FICC are as under:

- a) To determine concession rates for units manufacturing nitrogenous fertilizer (Urea);
- b) To maintain accounts, to make subsidy payments to nitrogenous fertilizer companies.
- c) To undertake inspection of the fertilizers manufacturing units.
- d) To undertake costing and other technical functions.
- e) To collect and analyze production data, costs and other related information.
- f) To work out requirement of inputs needed for fertilizer units & to recommend the supplies.
- g) To recommend annual escalation/de-escalation in the freight subsidy rates on the basis of transport index.
- h) To undertake such other functions as the Government may entrust to the Committee from time to time.

2.5.11 FICC is responsible for periodically calculating the concession rate including freight rates for units manufacturing urea and to make payment of subsidy. FICC collects the requisite data from urea units for calculation of concession rate of indigenous urea.

CHAPTER- 3

Development and Growth of Fertilizer Industry

Production of major fertilizers

- 3.1** The production of Urea during the year 2018-19 was 240.00 LMT and the production of DAP & Complex fertilizers were 128.97 LMT. The estimated production of Urea during 2019-20 would be 249.25 LMT, which is higher than the previous year and the estimated production of DAP & Complex fertilizers would be 137.36 LMT, representing a growth rate of approximately 6.51 % in comparison of previous year.
- 3.2** The sector-wise production of Urea, DAP and Complex fertilizers during 2018-19 and estimated production during 2019-20 are given in the table below:

(Fig. in LMT)

| S. No | Sector | 2018-19 | | | 2019-20 (Estimated) | | |
|--------------|--------------------|---------|-------|---------------------|---------------------|-------|---------------------|
| | | Urea | DAP | Complex fertilizers | Urea | DAP | Complex fertilizers |
| 1. | Public Sector | 70.16 | - | 12.22 | 69.00 | - | 15.55 |
| 2. | Cooperative Sector | 69.04 | 14.19 | 21.58 | 69.64 | 18.94 | 22.57 |
| 3. | Private Sector | 100.80 | 24.80 | 56.18 | 110.61 | 25.94 | 54.36 |
| Total | | 240.00 | 38.99 | 89.98 | 249.25 | 44.88 | 92.48 |

3.3 Joint Ventures abroad

3.3.1 *India's dependency on import at present is to the extent of 25% of our requirement of Urea, 90% in case of Phosphates, either as raw material or finished fertilizers (DAP/MAP/TSP) and 100% in case of Potash.* The Government has been encouraging Indian Companies to establish Joint Ventures abroad in Countries which are rich in fertilizer resources for production facilities with buy back arrangements and to enter into long term agreement for supply of fertilizers and fertilizer inputs to India. Further, the Department is also working with the goal of having access to acquisition of the fertilizer raw materials abroad.

Joint Ventures Project:

3.3.2 So far, the Department of Fertilizers has undertaken Joint Ventures abroad with 5 Countries in the previous years. The details of such joint ventures in the fertilizer sector are at **Annexure- VII**. Although during the year 2018-19, no joint venture with any country was

signed by this Department but during the said year, a number of major developments took place with the following Countries:-

Algeria:

- I. An Algerian delegation led by the Director General-Mines and officials from PHERPOS, an Algerian government owned mining company and other mining companies like ASMIDAL visited India. During this visit the Algerian delegation met senior officials from the Department of Fertilizers and officials from fertilizer PSUs and private sector. During their interaction, the delegation invited Indian companies for undertaking feasibility studies for cooperation in the fertilizer sector.
- II. Accordingly, a draft MoU covering only the broader aspects has been prepared and shared with Algerian side through MEA for comments of Algerian side. Subsequently, Algerian side shared a draft Framework Agreement which has considerable changes as compared to the MOU shared by Indian side. Subsequently, comments from MEA, DIPP and consortium members were sought. The comments received have been incorporated in the draft Framework Agreement and the same were shared with MEA for further sharing with Algerian side. **Draft framework Agreement has been furnished to the Algerian side by MEA. Response from Algerian side is awaited.**

Malaysia:

- I. The Malaysian Prime Minister presented a proposal for the setting up of a urea and ammonia manufacturing plant in Melaka, Malaysia with production capacity of 2.4 million tonnes of urea and 1.35 million tonnes for ammonia per annum at an estimated investment of US\$ 2.1 billion with an assured G2G buy-back arrangement between India and Malaysia. Later the MoU has been signed between India and Malaysia on 01.04.2017.
- II. The first Joint Steering Committee (JSC) meeting as per the signed MoU was held on 28.06.2017. In the JSC meeting, it was decided to form a Commercial Negotiation Committee (CNC) for finalizing the terms and conditions for off-take of surplus Urea produced in Malaysia.
- III. The first meeting of the Commercial Negotiation Committee CNC held on 5th September, 2017. **Further, Second Meeting of CNC held on 2.4.2018. From the CNC Meetings it emerges that Malaysian side is insisting on their own proposals in respect of mode of sales, contract quantity and shipment size and applicable price. Further, for finalization of the term and conditions Indian side proposed for third meeting to be held in Malaysia. Response from Malaysian side is awaited**

Jordan:

MoU has been signed between India and Jordan on 1.3.2018 at New Delhi during the visit of Jordan King to India for proposed mining and beneficiation of Rock Phosphate and for setting up Production Facility in Jordan for Phosphoric Acid/DAP/NPK Fertilizers with a long term agreement for 100% off take to India.

A Joint Steering Committee has been formed. A preparatory meeting on JSC meeting between India-Jordan was held under the chairpersonship of JS (GS) in which following decision were taken:-

- i. MEA was requested to send a political & legal analysis report on Jordan.
- ii. Consortium companies (NFL, RCF, MFL, GSFC& FACT) were requested to provide their requirement for further 10 years in writing.

All stake holders have indicated their requirements. Final agenda alongwith requirements and nominated members of delegation from Indian side for JSC meeting has been forwarded to Jordanian side. Date of JSC meeting could not be finalized (several times) due to mismatching of dates proposed by both sides. Next date of JSC meeting has been requested by Indian side. Reply from Jordanian side is awaited.

Nepal:

Revised Draft MoU was forwarded to MEA after obtaining approval of Hon'ble Minister on 27.11.2019 with the request to arrange a meeting with Nepali delegation in Delhi at JS level to discuss/finalize the MoU on any date between 16th to 20th December, 2019. Embassy of India, Kathmandu has now informed that Mr. Rajendra Mishra, Joint Secretary(IC), Ministry of Agriculture, Nepal would be in Delhi from 29.1.2019 to 01 February, 2020 to take part in a two-day Joint Agricultural Working Group which is to be held in Delhi on 30-31 January 2020. It has been requested to meet Joint Secretary (Fertilizers) either in the afternoon of 29th January or in the first half of 31st January, 2020 at a location convenient to the officers of DoF for further discussion in this regard.

CHAPTER – 4

Availability & Movement of Major Fertilizers

4.1 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. The projected requirement is communicated to DoF. Every month Movement Division prepares agreed supply plan in consultation with manufacturers and importers to meet the demand of fertilizers projected by DAC&FW. 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. The details of requirement, availability and sales of all fertilizers during the Kharif 2018, Kharif 2019, Rabi 2018-19 and Rabi 2019-20 is as under:-

| UDMC Comparison Of Requirement, Availability and DBT Sales For Kharif 2018 and Kharif 2019 | | | | | | | |
|---|---------------|------------------|------------------|-------------------|-------------------|----------------|----------------|
| Figures In <LMT's> | | | | | | | |
| S.No | Product Group | Requirement 2018 | Requirement 2019 | Availability 2018 | Availability 2019 | DBT Sales 2018 | DBT Sales 2019 |
| 1 | UREA | 148.90 | 156.22 | 212.43 | 212.38 | 154.39 | 153.69 |
| 2 | DAP | 49.18 | 51.22 | 73.35 | 89.77 | 37.75 | 35.71 |
| 3 | MOP | 20.25 | 20.39 | 23.18 | 27.73 | 14.15 | 11.71 |
| 4 | NPKS | 49.73 | 52.97 | 86.49 | 92.97 | 50.12 | 46.35 |
| Source:ifms Dashboard | | | | | | | |

| UDMC Comparison of Requirement, Availability and DBT Sales For Rabi 2018-2019 and Rabi 2019-20 (Till Jan 2019 and Jan 2020) | | | | | | | |
|--|---------------|------------------------|------------------------|-------------------------|-------------------------|----------------------|----------------------|
| FIGURES IN <LMT's> | | | | | | | |
| S.No | Product Group | Requirement (Jan 2019) | Requirement (Jan 2020) | Availability (Jan 2019) | Availability (Jan 2020) | DBT Sales (Jan 2019) | DBT Sales (Jan 2020) |
| 1 | UREA | 120.28 | 146.07 | 171.60 | 191.72 | 131.70 | 140.49 |
| 2 | DAP | 41.65 | 43.24 | 70.97 | 90.53 | 44.46 | 56.10 |
| 3 | MOP | 12.99 | 13.28 | 19.23 | 23.81 | 9.64 | 11.43 |
| 4 | NPKS | 35.17 | 36.92 | 72.06 | 82.97 | 36.68 | 44.08 |
| Source:ifms Dashboard | | | | | | | |

4.2 Urea

- 4.2.1** The availability of urea remained satisfactory throughout the seasons of Kharif 2019 and Rabi 2019-20 (upto Jan'20).
- 4.2.2. Kharif 2019:** The assessed requirement of Urea for Kharif 2019 was 156.22 LMT (without reserve allocation) vis a vis 148.90 LMT during Kharif 2018. The season started with an opening stock of 59.30 LMT (as on 01.04.2019) with states. The overall availability of Urea was 212.38 LMT during Kharif 2019 vis a vis 212.43 LMT during Kharif 2018. The DBT sales was 153.69 LMT during Kharif 2019 vis a vis 154.39 LMT during Kharif 2018.
- 4.2.2 Rabi 2019-20 (upto Jan'20):** The assessed requirement of Urea for Rabi 2019-20 (upto Jan'20) was 146.07 LMT (vis-à-vis 120.28 LMT for January'19) and for the complete season of Rabi 2019-20 is 179.04 LMT (without reserve allocation). The season started with an opening stock of 58.82 LMT (as on 01.10.2019) with states. The overall availability of urea has been 191.72 LMT upto Jan'20 vis-à-vis 171.60 LMT upto Jan'19. The sales have been 140.49 LMT during Rabi 2019-20 (upto Jan'20) vis-à-vis 131.70 LMT during Rabi 2018-19 ((upto Jan'19).

4.3 DAP

- 4.3.1** The availability of DAP remained satisfactory throughout the seasons of Kharif 2019 and Rabi 2019-20 (upto Jan'20).
- 4.3.2 Kharif 2019:** The assessed requirement of DAP for Kharif 2019 was 51.22 LMT vis a vis 49.18 LMT during Kharif 2018. The season started with an opening stock of 34.21 LMT. The overall availability of DAP during Kharif 2019 has been 89.77 LMT vis-à-vis 73.35 LMT (during Kharif 2018). The DBT sales have been 35.71 LMT during Kharif 2019 vis-à-vis 37.75 LMT (during Kharif 2018).
- 4.3.3 Rabi 2019-20 (upto Nov.'19):** The assessed requirement of DAP for Rabi 2019-20 (upto Jan'20) has been 43.24 LMT (vis-à-vis 41.65 LMT for Rabi 2018-19 (Upto Jan'19)) and for the complete season of Rabi 2019-20 is 52.08 LMT. The season started with an opening stock of 54.06 LMT (as on 01.10.2019) with states. The availability of DAP with the States was 90.53 LMT during Rabi 2019-20 (upto Jan'20) vis-à-vis 70.97 LMT during Rabi 2018-19 (upto Jan'19). The DBT sales have been only 56.10 LMT during Rabi 2019-20 (upto Jan 20) vis-à-vis 44.46 LMT during Rabi 2018-19 (Upto Jan' 19).

4.4 NPK

4.4.1 The availability of NPK remained satisfactory throughout the seasons of Kharif 2019 and Rabi 2019-20 (upto Jan'20).

4.4.2 **Kharif 2019:** The assessed requirement of NPK for Kharif 2019 was 52.97 LMT vis-à-vis 49.73 LMT (during Kharif 2018). The season started with an opening stock of 42.30 LMT (as on 01.04.2019) with states. The overall availability of NPK was 92.97 LMT during Kharif 2019 vis-à-vis 8649 LMT (during Kharif 2018) with the States. The DBT sales were 46.35 LMT during Kharif 2019 vis-à-vis 50.12 LMT (during Kharif 2018).

4.4.3 **Rabi 2019-20 (upto Jan'20):** The assessed requirement of NPK for Rabi 2019-20(upto Jan'20) has been 36.92 LMT vis-à-vis 35.17 LMT during Rabi 2018-19 (upto Jan'19) and for the complete season of Rabi 2019-20 is 51.86LMT. The season started with an opening stock of 46.49 LMT (as on 01.10.2019) with states. The overall availability of NPK with the States has been 82.97 LMT during Rabi 2019-20 (upto Jan' 20) vis-à-vis 72.06 LMT during Rabi 2018-19 (upto Jan'19). The DBT Sales have been only 44.08 LMT during Rabi 2019-20(upto Jan'20) vis-à-vis 36.68 LMT during Rabi 2018-19 (upto Jan'19).

4.5 MOP

4.5.2 The availability of MOP remained satisfactory throughout the seasons of Kharif 2019 and Rabi 2019-20(upto Jan'20).

4.5.3 **Kharif 2019:** The assessed requirement of MOP for Kharif 2019 was 20.39 LMT vis-à-vis 20.25 LMT (Kharif 2018). The season started with an opening stock of 10.83 LMT (as on 01.04.2019) with states. The overall availability of MOP was 27.73 LMT vis-à-vis 23.18 LMT (during Kharif 2018) with the States. The DBT Sales were only 11.71 LMT during Kharif 2019 vis-à-vis 14.15 LMT (during Kharif 2018).

4.5.4 **Rabi 2019-20(uptoNov.'19):** The assessed requirement of MOP for Rabi 2019-20(upto Jan'20) has been 13.28 LMT vis-à-vis 12.99 LMT during Rabi 2018-19 (upto Jan'19) and for the complete season of Rabi 2019-20 is 17.73 LMT. The season started with an opening stock of 15.95 LMT (as on 01.10.2019) with states. The availability of MOP with the States has been 23.81 LMT during Rabi 2019-20 (upto Jan'20) vis-à-vis 19.23 LMT during Rabi 2018-19 (upto Jan'19). The DBT sales have been only 11.43 LMT during Rabi 2019-20(upto Jan'20) vis-à-vis 9.64 LMT during Rabi 2018-19 (upto Jan'19).

4.5.5 To ensure timely and adequate movement of fertilizers to all parts of the country, railway rakes are deployed in close coordination and monitoring by D/o Fertilizers,

Ministry of Railways and State Governments. During Kharif 2019, on an average 49.55 rakes per day were deployed as against 48.35 rakes per day during Kharif 2018. Similarly, for Rabi 2019-20 (Oct'19 to Jan'20), on an average 57.21 rakes per day were deployed as against 53.17 rakes per day during Rabi 2018-19 (Oct'18 to Jan'19).

It may be observed from the available data for the last five years that Rabi 2019-20 season saw unprecedented high demand for urea and other fertilizers. DoF has been successful in fulfilling the high requirement timely and adequately during the ongoing Rabi 2019-20. In this regard, the months of November 2019, December 2019 and January 2020 recorded ever highest rake movement of Fertilizers from plants/ports. During the month of January 2020, in a single day (i.e. 6th January, 2020), a record number of 67 rakes were moved from both plant/ports. There have been no issues of congestion at the ports and the fertilizer movement remained at the optimum/desired level.

CHAPTER-5

Financial Performance

5.1 Budget of Department

The Department of Fertilizers deals with disbursement of subsidy on Urea and Phosphatic and Potassic (P&K) complex fertilizers under Urea Subsidy Scheme and Nutrient Based Subsidy Policy, respectively. Apart from the Secretariat budget, the budget allocations for 2019-20 vis-à-vis 2018-19 in respect of Urea Subsidy Scheme and Nutrient Based Subsidy Policy are as under:-

(Rs. in Crore)

| Scheme | Budget Estimates for 2018-19 | Budget Estimates for 2019-20 |
|---|-------------------------------------|-------------------------------------|
| Secretariat Expenditure | 34.99 | 38.94 |
| NBS Policy | | |
| Indigenous P&K | 15820.35 | 15906.00 |
| Imported P&K | 9260.00 | 10429.00 |
| City Compost | 10.00 | 32.00 |
| Total Allocation for NBS Policy | 25090.35 | 26367.00 |
| Urea Subsidy | | |
| Indigenous Urea | 34989.50 | 43050.00 |
| Imported Urea | 13360.00 | 14049.00 |
| Direct Benefit Transfer Subsidy | | |
| Office Expenses | 1.00 | 2.00 |
| Professional Services | 9.50 | 8.00 |
| Total Allocation for Urea Subsidy | 48,360.00 | 57,109.00 |
| Total Subsidy Allocation (Gross) | 73450.35 | 83476.00 |
| Recovery received from sale of Imported Urea | 3360.00 | 3480.00 |
| Total Subsidy Allocation (Net) | 70,090.35 | 79,996.00 |

5.2 Internal & Extra Budgetary Resources (IEBR)

The Internal & Extra Budgetary Resources (IEBR) generated by five companies profit making fertilizer CPSEs for 2018-19 and 2019-20 i.e. Rashtriya Chemicals & Fertilizers Limited (RCF), FCI Aravali Gypsum & Minerals India Limited (FAGMIL), Projects & Development India Limited (PDIL), National Fertilizers Limited (NFL) and Brahmaputra Valley Fertilizer Corporation Limited are as under:-

(Rs. in crore)

| SI No. | Name of CPSE | Actuals 2018-19 | BE 2019-20 | RE 2019-20 |
|--------|--------------|-----------------|------------|------------|
| 1 | FAGMIL | 7.58 | 10.00 | 3.68 |
| 2 | PDIL | 5.27 | 6.00 | 6.44 |
| 3 | BVFCL | -26.66 | 54.76 | -61.38 |
| 4 | NFL | 240.46 | 759.10 | 657.08 |
| 5 | RCF | 434.21 | 709.34 | 496.70 |

CHAPTER- 6

Measures of Support for Fertilizers

6.1 The objective of the Government policy is to maximize indigenous production of nitrogenous fertilizers based on utilization of indigenous feedstock to reach self-sufficiency in urea production to ensure easy availability of fertilizers to the farmers at affordable prices and to promote balanced nutrient application which is essential for the sustained agricultural growth. There are 32 urea manufacturing units in the country with a total re-assessed capacity of 232.94 Lakh Metric Tonne per Annum (LMTPA). Out of 32 urea manufacturing units, 30 urea units are using natural gas as feed stock and 2 urea units are using naphtha as feed stock. The details of urea manufacturing units alongwith feed stock used and re-assessed capacity are placed at **Annexure – VIII**.

6.2 MRP of Urea

6.2.1 The MRP of urea is statutorily fixed by the Government of India and at present it is Rs. 268 for a 50 Kg bag of urea and Rs. 242 for a 45 kg bag of urea.

6.3 Payment of Subsidy

6.3.1 The urea is sold at a Maximum Retail Price (MRP) statutorily fixed by the Government of India. The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. The components of subsidy are as follows:-

(i) Variable cost which includes:

- (a) Cost of energy viz. Natural Gas, RLNG, Naphtha
- (b) Cost on non-plant use of power and water
- (c) Cost of bags

(ii) Conversion cost or fixed cost:

- (a) Salary and wages,
- (b) Cost of contract labour
- (c) Cost of consumables like catalyst, chemicals and other consumables
- (d) Administrative overheads.
- (e) Factory overheads, insurance etc.

6.4 New Urea Policy (NUP)-2015

6.4.1 The Government of India had notified the New Urea Policy (NUP) - 2015 on 25th May, 2015 (**Annexure-IX**) for existing gas based urea units with the objective of (i)

maximizing indigenous urea production; (ii) promoting energy efficiency in urea production; and (iii) rationalizing subsidy burden on the government. The provisions of NUP-2015 were introduced from 1st June, 2015. Vide notification dated 15th October, 2015, the Government issued revised energy norms under New Urea Policy-2015 for the existing 25 gas based urea units in the country. *The copy of said Notification is placed at Annexure-X)*

- 6.4.2** Under NUP-2015, the existing gas based urea units were classified into three groups based on their preset energy norms. The energy norms of the 25 gas based urea units were revised for a period of three years i.e. 2015-16 (w.e.f. 1st June, 2015) to 2017-18 which was the simple average of pre-set energy norms of NPS-III and average actual energy consumption achieved during the years 2011-12, 2012-13 and 2013-14 or the pre-set set energy norms of NPS-III, whichever was lower. Each group was given target energy norms w.e.f. 1st April, 2018.
- 6.4.3** For Group-I, target energy norms for the year 2018-19 was 5.5 G Cal/MT (except Tata Chemicals Limited-Babralla for which existing pre-set energy consumption norm of NPS-III i.e. 5.417 G Cal/MT will continue). For Group-II and Group-III, the target energy consumption norms for the year 2018-19 were 6.2 G Cal/MT and 6.5 G Cal/MT respectively.
- 6.4.4** The compensation for other variable cost e.g. the cost of bag, water charges & electricity charges and fixed cost are determined in accordance with existing provisions of NPS-III (notified on 8th March, 2007) and Modified NPS-III (2nd April, 2014).
- 6.4.5** For production upto 100% re-assessed capacity (RAC), the 25 gas based urea units are entitled to get total cost of production of urea, which includes fixed cost and variable cost.
- 6.4.6** For production beyond RAC, the units are entitled for their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed costs of all the indigenous urea units subject to import parity price plus weighted average of other incidental charges which the government incurs on the imported urea. Vide notification dated 7th April, 2017, a further amendment was incorporated for production of urea beyond RAC during 2016-17 such that units were entitled beyond their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed cost of all indigenous urea units subject to sum of import parity price, other incidental charges which the Government incurs on the import of urea and weighted average of Central Government levies paid by the urea manufacturing units. Vide said amendment, it has been decided that in event of any fluctuation in Import Parity Price that would have adverse impact on the production beyond RAC by urea units, Department of Fertilizers is authorized to take appropriate decision in consultation

with Department of Expenditure. The copy of said amendment is placed at (**Annexure – XI**).

6.4.7 Five units namely MFL-Manali, MCFL-Mangalore, SPIC-Tuticorin, BVFCL-Namrup-II and BVFCL-Namrup-III are not covered under this scheme because these units are not connected to gas pipeline network in the country at the time of introduction of the policy. Further, Namrup-II and Namrup-III units of BVFCL are proposed to be closed and a new high efficiency unit will be installed, which will be dealt separately under their restructuring proposal. Till then, these two units are functioning under the provisions of Modified NPS-III.

6.4.8 **Vide notification dated 14th May, 2019, the duration of New Urea Policy-2015 has been extended from 1st April, 2019 till further orders. (Annexure-XII)**

6.5 For Naphtha Based Urea Units

6.5.1 *The three Naphtha based urea units viz., Madras Fertilizers Limited- Manali (CPSU), Southern Petrochemicals Industries Corporation (SPIC) - Tuticorin and Mangalore Chemicals & Fertilizers Limited (MCFL) are governed by Policy Notification dated 17th June, 2015 (Annexure-XIII), which allows these units to operate urea production using Naphtha as feedstock till gas availability and connectivity to these three units either by gas pipeline or by any other means The Naphtha based urea units are entitled to get subsidy as per the following conditions:*

- (i) These units will be eligible for subsidy on the basis of the revised energy norms from the date of notification, which would be the simple average of pre-set energy norms of New Pricing Scheme (NPS) – III and lowest yearly specific energy consumption achieved during the years 2011-12, 2012-13 and 2013-14 or the pre-set energy norms of NPS – III, whichever is lower.
- (ii) The concession rate for these plants will be determined notionally on the basis of weighted average of the delivered cost of RLNG to recently converted plants after deducting state taxes (VAT, Entry tax) on RLNG or the cost of production of urea from Naphtha/FO after deducting state taxes levied on Naphtha/FO consumed for urea production (VAT, Entry tax) on Naphtha/FO, whichever is lower.
- (iii) The compensation for other variable cost e.g. the cost of bag, water charges & electricity charges and fixed cost will be determined in accordance with existing provisions of NPS – III and Modified NPS – III.

6.5.2 The specific energy consumption norms for these three units from 2018-19 was fixed as 6.5 Gcal/MT.

MFL has started production of Urea by using gas as a feedstock from 29th July, 2019.

6.6 Revision of Energy Norms under NUP – 2015 (Annexure-XIV)

6.6.1 Vide notification dated 28th March, 2018, Department of Fertilizers had notified the following decisions with regard to Target Energy Norms given to all urea manufacturing units (except BVFCL):

(i) For 11 urea manufacturing units viz., YFIL, NFL-Vijaypur-II, GIL, CFCL-Gadepan-I & II, IFFCO-Aonla-II, RCF-Thal, IFFCO-Kalol, IFFCO-Aonla-I, IFFCO-Phulpur-I&II, the target energy consumption norms as mentioned in Para 3.2 of NUP-2015, has come into force w.e.f. 1st April, 2018.

(ii) The existing norms under New Urea Policy-2015 for remaining 14 urea manufacturing units viz., NFL Vijayppur-I, KRIBHCO-Hazira, KFL-Shahjahanpur, NFCL-Kakinada-I, NFCL-Kakinada-II, GNFC-Bharuch GSFC-Vadodara, NFL-Bathinda, NFL-Nangal, NFL-Panipat, SFC-Kota, KFCL-Kanpur, RCF Trombay-V, ZACL-Goa are hereby extended for further period of 2 years i.e. till 31st March, 2020 with the following penalties:

(a) Penalty equivalent to 2% energy of difference between NUP Energy norms and Target Energy norms of NUP-2015, for the first year i.e. 2018-19.

(b) Penalty equivalent to 5% energy of difference between NUP Energy norms and Target Energy norms of NUP-2015, for the second year i.e. 2019-20.

(c) Urea manufacturing units must achieve Target Energy Norms during the extended period of 2018-19 to 2019-20 failing which additional penalties may be imposed on defaulting units in consultation with the Department of Expenditure.

(iii) The aforesaid target energy norms may be continued upto 31st March, 2025. Meanwhile, an expert body under NITI Aayog would be engaged to recommend the energy norms to be achieved from 01st April, 2025.

6.7 New Investment Policy-2012

6.7.1 The Government had announced New Investment Policy – 2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. Copies of NIP-2012 and its amendment are placed at **Annexure-XV** and **Annexure-XVI**.

6.7.2 Under the provisions of NIP – 2012 and its amendment, Matix Fertilisers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal. The commercial production of Matix started

on 1st October, 2017. However, it is not operational due to non-availability of CBM/Natural Gas. MATIX had informed that they have signed Gas Sale & Purchase agreement with GAIL for supplying 1.5 mmscmd RLNG to its Urea Plant. The gas pipeline connectivity from GAIL is likely to be completed by December 2019. Chambal Fertilizers & Chemicals Limited (CFCL) has also set up a brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III started on 1st January, 2019.

6.8 Policy for encouraging production and availability of fortified and coated fertilizers in the country

6.8.1 The Government on 2nd June, 2008 had notified the policy for encouraging production and availability of fortified and coated fertilizers in the country wherein the indigenous manufacturers/producers of the subsidized fertilizers were allowed to produce fortified/coated subsidized fertilizers up to a maximum of 20% of their total production of respective subsidized fertilizers. This ceiling of production of Neem Coated Urea (NCU) was increased from the limit of 20% to a maximum of 35% of their total production vide notification dated 11th January, 2011.

6.8.2 Subsequently, vide notification dated 7th January, 2015 (placed at **Annexure – XVII**), Department of Fertilizers removed the cap/restriction to produce Neem Coated Urea and the indigenous producers of urea could produce upto maximum of their total production of subsidized urea. It was decided to restrict the extra 5% of MRP to be charged by the companies on Neem Coated Urea for future to the extent of 5% of the existing MRP of urea only i.e. Rs. 5360/- per MT.

6.8.3 Subsequently, vide Notification dated 24th March, 2015 (placed at **Annexure – XVIII**), it was made mandatory for all the indigenous producers of urea to produce 75% of their total production of subsidized urea as Neem Coated Urea and made effective from 1st April, 2015. Finally, based on the CCEA approval, Department of Fertilizers issued notification dated 25th May, 2015 (placed at **Annexure – XIX**) whereby it has been made mandatory for all the domestic producers of urea to produce 100% as Neem Coated Urea with an extra MRP of 5% (of Rs. 5360/- per MT) to be charged by the fertilizer manufacturing entities from farmers. Entire quantity of indigenously produced urea and imported urea is being neem coated w.e.f 1st September, 2015 and 1st December, 2015 respectively.

6.9 Introduction of 45 kg Bag of Urea

6.9.1 Vide notification dated 4th September, 2017(**Annexure – XX**), Government of India has decided to introduce 45 kg bag of urea in place of existing 50 kg bag. A period of six months was given to urea units as lead time to ensure smooth implementation of the policy. Department of Agriculture Cooperation and Farmers Welfare vide gazette notification dated 1st March, 2018 notified the MRP of urea i.e. Rs.242 per 45 Kg

Bag (exclusive of Central/State levies and other charges). Vide notification dated 9th March, 2018(**Annexure – XXI**), Department of Fertilizers had given a period of two months from the date of notification of MRP to Urea units as lead time to ensure smooth implementation of the policy.

6.10 Dealer/Distribution Margin

6.10.1 Vide notification dated 28th March, 2018(**Annexure – XXII**), DoF has revised Dealer's Margin from Rs.180/200 per MT of Urea (for Private Agencies/Institutional Agencies) to Rs.354 per MT of Urea, effective from 1st April, 2018, which will be paid on the quantity sold through POS devices only. This has enhanced the financial viability of around 23000 Dealers/Distributors post DBT implementation.

6.11 Policy for uniform freight subsidy on all fertilizers under the fertilizer subsidy regime

6.11.1 Fertilizer subsidy is provided by the Government with the objective of ensuring timely availability of fertilizers to farmers at affordable prices. The aforesaid twin objectives stand fulfilled only if the fertilizers are easily available, especially during the peak demand period, in all parts of the country. Freight for urea has been always driven by considerations of serving the farming population at large including those in remote and hilly areas. Being essential commodity, efficient distribution of urea can add to the efficiency of the manufacturing unit. To implement the freight reimbursement in line with NPS-III, DOF announced the uniform freight policy (UFP) with effect from April 1, 2008 vide notification dated July 17, 2008. The salient features of the policy are as below:

- (i) The rail expenditure for transportation of fertilizers is paid as per the actual expenditure based on actual lead.
- (ii) The road freight towards transportation of fertilizers from nearest railway rake point to block, or from manufacturing unit/port directly by road to block, consists of two elements-Lead distances and per KM rate. This element of subsidy will be paid as below:
 - a. The lead distance for each block in the district is based on average district lead (average of leads from nearest rail rake port to block headquarter)
 - b. The per KM road freight is paid on the basis of average of existing per KM rate for each state in the country, being adopted by FICC for reimbursement of freight for indigenous urea under NPS-III.

- (iii) The normative per KM rate is annually escalated/de-escalated based on a composite road transport index (weighted average of the WPIs of HSD Oil, Motor tyres, Truck chassis and all commodities) as being done under NPS-III.
- (iv) The manufacturing units (especially the SSP units) not having railway siding facilities is reimbursed the road transportation costs from their unit to the nearest rake point based on actual leads and the per tonne per KM rate, as computed in paras above.
- (v) The freight subsidy is paid on actual movement of fertilizers up to the block level based on monthly district –wise /block movement plans. The subsidy will be released only after the fertilizers reach the district/block as per the monthly plan.
- (vi) The special freight re-imburement scheme for J&K and North Eastern states is being under separate category as per the recommendation of the tariff commission.
- (vii) The uniform freight subsidy on urea is paid through the freight module on iFMS, under which the freight for Fertilizers transportation is paid as per the following:
 - a. The companies are raising claims on iFMS (erstwhile mFMS) Module for payment of freight subsidy based on actual rail freight and adhoc road freight.
 - b. The actual railway freight is claimed by the companies based on the railway receipts uploaded in the freight module on the iFMS (erstwhile mFMS).

6.11.2 Based on the recommendations of Tariff Commission, the slab-wise rates in respect of primary road movement upto 500 Kms are notified annually. Vide notification dated 12th March, 2018(**Annexure -XXIII**), this department notified the slab-wise rates in respect of primary road movement for the financial year 2016-17.

6.11.3 The escalated/de-escalated Per Tonne Per kilometre (PTPK) for road transportation in the case of secondary movement of fertilizers are also notified by Department of Fertilizers annually. Vide notification dated 12th March, 2018(**Annexure -XXIV**), the escalated/de-escalated PTPK rates for the year 2016-17 in respect of secondary movement of fertilizers has also been notified by the department.

6.12 Implementation of DBT in Fertilizer Subsidy

6.12.1 Introduction

The Government has introduced Direct Benefit Transfer (DBT) system in Fertilizers w.e.f. October 2016. Under the fertilizer DBT system, 100% subsidy on various fertilizer grades is released to the fertilizer companies on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized 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.

6.12.2 Pilot DBT

The Pilot project has been implemented in 17 pilot districts.

6.12.3 Pan India Roll Out of DBT

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.

6.12.4 DBT PMU

A Project Monitoring Cell has been set up at Dept. of Fertilizers to oversee implementation of DBT exclusively. 24 State Coordinators have been appointed across all States to monitor the on-going DBT activities.

6.12.5 PoS Deployment & Training of Retailers

Implementation of the DBT in Fertilizer Scheme required deployment of PoS devices at every retailer shop and training of retailers for operating PoS device.

- Across the country, Lead Fertilizer Supplier (LFS) have conducted 10878 training sessions till date.*
- 2.26 Lakh PoS devices have been deployed across all States.*
- A total of 1182.04 Lakh Metric Tons Fertilizers have been sold through PoS devices under DBT Scheme till December 2019.*

6.12.6 Evaluation of DBT in Fertilizers

- i. NITI Aayog has conducted Four extensive evaluations through an independent agency M/s Microsave in the DBT pilot districts. The highlights of the study are as under:*

- Implementation of DBT System has streamlined the Fertilizer distribution. Retailers and farmers in all districts reported “Nil shortage” of urea owing to neem coating.
 - There is improved tracking through mFMS Id i.e. Fertiliser companies have on-boarded untraceable retailers and co-operative depots on mFMS system to avoid delay in subsidy payments.
 - Overcharging by retailers has reduced as each fertilizer purchase by farmers is supported by a receipt generated through PoS machines indicating both MRP paid by the farmers and the subsidy component paid by the Government on the quantity of fertilizer purchased by the farmers.
 - Cross border sale has also reduced e.g. across border to Nepal and Bangladesh from Kishanganj.
 - Preference for Aadhaar based system is increasing among farmers.
 - Initiatives such as reducing the size of urea bag and increased retailer margin seems to have positive impact.
 - 76.5% Farmers are aware that urea comes with neem extract coating.
 - 94.9% Farmers perceive that neem coated urea is beneficial for crops.
 - Farmers prefer DBT in Fertilizer because it Tracks actual buyer, reduces black marketing and diversion, reduces overcharging by retailers and induces awareness about quantity and price of fertilizer.
- ii. Based on the positive feedback received through M/s Microsave studies, the deployment of PoS devices was extended to all the States/UTs across the country.

6.12.7 Subsidy Payment under DBT Framework

- The DBT system entails 100% payment of subsidy to the fertilizer manufacturing companies on the basis of actual sales by the retailer to the beneficiary.
- The farmer or buyer’s identity is authenticated either through biometric, Aadhaar based, Unique Identification Number or Voter ID Card or Kisan Credit Card.
- Aadhar based biometric authentication is linked to Soil Health Card of the farmer.
- This would enable recommendation of appropriate mix of fertilizers compatible to the soil health profile of the agricultural land held by the beneficiary.
- However, the recommendation is not binding on the beneficiary and the sale of fertilizers would initially be on a “no denial mode”.
- The sales to the beneficiary are captured through the Point of Sale(PoS) machines installed at the retailer’s end. All the Fertilizer sale transactions are captured online in the Integrated Fertilizer Management System (iFMS) system on real time basis.
- The claims are processed on a weekly basis and the amount of subsidy is being remitted to the company’s bank account through electronic mode.

6.12.8 Benefits of DBT

- Creation of Aadhaar seeded data base of beneficiaries
- Transaction visibility at the end point/retail point.
- Transparent and faster tracking of movement of fertilizers along the value chain i.e. from manufacturers to beneficiaries.
- Minimise diversion of fertilizers.
- Optimal use of nutrients due to linking Soil Health Card with DBT.

Immediate benefits to the farmer:

- Ready and timely availability of fertilizers at retail point.
- Sale of fertilizers through PoS devices at subsidized rates.
- Receipt is generated through PoS device after every sale displaying the rate of fertilizers.
- No likelihood of over pricing or over charging.
- Sale receipt indicates the subsidy borne by the Government on behalf of the farmer for the fertilizers purchased.

Monitoring & Surveillance: DoF and the State Governments can closely monitor the following activities across the country through Integrated Fertilizer Management System (iFMS) and the data captured through PoS devices:

- Availability of fertilizers to farmers across various States/UTs
- Sale of fertilizers to farmers at various retail points.
- The quantity and the rate at which the fertilizers are being sold to farmers.

Indirect Benefits:

- Putting up a PoS device at 2.26 lakh retailers will create a channel which will provide Unlimited Opportunities for the Government to reach Rural India. This can become service delivery channel to other ministries.
- Digitizing transactions will create purchase history of farmers, which can be used by Financial Institutions to provide credit to farmers based on transaction history at Fertilizer outlets.

6.12.9 Various Challenges of DBT have been addressed as under:

- a. How to address network connectivity issues.

To overcome various operational challenges pertaining to internet connectivity, the Department of Fertilizers has come up with various options as under:

- PoS devices were provided with multiple connectivity options such as Wi-Fi, LAN, PSTN, SIM, etc.

- A network survey/assessment can be conducted at retail shops, to identify the telecom service providers having good connectivity in that area.
- Simple measures such as attaching an antenna to the PoS device can give better signal reception.

b. How to address peak season sales:

To address the peak season sales, a single retailer can install more than one PoS device at the retail point. There is a provision to use maximum up to 10 PoS devices at a single retail point under DBT system.

c. Grievance redressal mechanism

- A dedicated 15-member Multi-lingual Help Desk has been set up to provide quick response to the queries of wide range of stakeholders across the country as a preparatory to DBT implementation. The helpdesk will operate from 9.30 am to 6.00 pm on all working days including Saturdays. The toll free number of the helpdesk is 1800115501. Further, Whatsapp is being used extensively for quick response to grievances of various stake holders.
- To address the issues of malfunctioning PoS devices, separate toll free lines have been provided by PoS vendors viz., Visiontek, Analogics and Oasys. Dedicated manpower/vendor support system has been provided by the PoS vendors across all States. Further, DBT State Coordinators have been appointed by D/o Fertilizers in every State/UT to monitor the implementation of DBT and for quick resolution of hardware/software problems.

6.12.10 Implementation of DBT in 2 Phases

Phase-1 envisages release of 100% subsidy on various fertilizer grades to the fertilizer companies on the basis of actual sales made by the retailer to the beneficiaries. The phase-2 of DBT will explore *the feasibility of cash transfer to farmer's accounts. An expert committee under NITI Aayog has been constituted on 28.9.2017 as per the request of the Dept., to suggest a model for the implementation of phase-2.*

6.12.11 Launch of DBT 2.0 Initiatives

Hon'ble Minister of Chemicals and Fertilizers, Sh. Sadanand Gowda in presence of Hon'ble Minister of State, Sh. Mansukh Mandaviya launched DBT 2.0 initiatives on 10th July, 2019. With the DBT system functioning satisfactorily over the last one year, the Department has been continuously making efforts to improve the system based on the feedback received from various stakeholders. Some of the new initiatives of DBT 2.0 are as under:

a) DBT Dashboards

- In order to provide accurate information about the position of supply/availability/requirement of various fertilizers at National, State and District levels, the DOF has developed various dash-boards. These dash-boards provide various reports, viz.,
 - (i) Fertilizer Stock position (overall and production):
 - ✓ at Ports
 - ✓ at Plants
 - ✓ in States
 - ✓ at District levels
 - (ii) Proportionate requirement for the season and availability of stocks at various levels
 - (iii) Top 20 buyers
 - (iv) Frequent buyers
 - (v) Retailers not selling fertilizers

- DBT dash-boards can be accessed by general public by clicking the e-urvarak website of DOF (www.urvarak.nic.in).

This is a new milestone in the Fertilizer Sector and the reports will help in assessing the overall demand and supply, facilitate day to day decision making and take necessary corrective measures in streamlining the Fertilizer consumption vis-a-vis the demand. The reports will also facilitate real-time monitoring of the availability and sale of fertilizers within the State.

b) PoS 3.0 Software:

Under DBT, the fertilizer are sold through the PoS devices installed at retail points across the country. Till now 14 versions of PoS software has been released in the process of improving the PoS operations, latest being PoS 3.0 version with new added features as under:

- New system will provide Aadhaar virtual ID option during use, for registration, login and sale activity in DBT Software
- It captures Sale to farmers, Mixture manufacturers, Planter association separately.
- It has Multi-lingual facility
- It has Provision for Soil Health Card (SHC) recommendation: area-specific, crop-specific recommendations.

c) Desktop PoS Version:

As a part of ongoing implementation of DBT, the department has installed PoS devices at 2.26 lakh retail points across the country. Keeping in view the various operational challenges viz. limited PoS vendors, rush of sales due to peak season etc. the department developed a desktop version of PoS software as an alternative or added facility to PoS devices. Retailers with Laptops and Computer systems can use high speed broadband service for fertilizer sales. The Desktop software is more

robust and secure as the application is developed and handled directly from the central HQ team at D/o Fertilizers.

(i) The new features of Desktop version of PoS software are as follows:

- Retailer registration with same iFMS login ID, PIN and Aadhaar number.
- New system will provide Aadhaar virtual ID option during use, for registration, login and sale activity in DBT Software
- Captures Sale to farmers, Mixture manufacturers, Planter association separately.
- Multi-lingual facility
- Provision for Soil Health Card (SHC) recommendation: area-specific, crop-specific recommendations.

(ii) The Advantages of Desktop version of PoS software are as under:

- Alternative or added facility to PoS devices.
- Reduces the dependency on PoS devices & limited vendors.
- Retailers with Laptops and Computer systems can use high speed broadband service to make Fertilizer sale.
- Easy to operate, bigger screen compared to small screen of PoS.
- Multilingual facility.
- Sale receipts will be multilingual.
- More Secure: Single point development control with DoF.
- Can serve as additional device for handling peak season sales.

The desktop version will facilitate easy handling of fertilizer business at retailer points.

6.12.14 Accolades & Awards

During the Year DBT in Fertilizers received **SKOCH Awards 2019 (Gold)** in Governance category and **Governance Digital Transformation Awards 2019** for End to End Digital Services (G2C).

Spectrum of DBT Activities During 2019-20



The launch of DBT 2.0



initiatives.

Received E-Governance Award 2019.



Received SKOCH Award 2019.



Received DBT team with Hon'ble Minister



DCT Workshop Dec. 2019

6.13 Subsidy Policy for Decontrolled Phosphatic & Potassic (P&K) Fertilizers

Background

6.13.1 *Timely availability of fertilizers, as input to the farmer at affordable prices, is vital for growth of agriculture sector in the country. Subsidy or concession schemes have been an integral part of Government policy to sustain agricultural productivity which in turn plays critical role in ensuring the food security and in promoting rural livelihood and employment.*

6.13.2 *Government of India passed Fertilizer Control Order (FCO) under Essential Commodities Act (EC Act) in the year 1957 to regulate sale, pricing and quality of fertilizers. Subsequently movement control order was passed in 1973 to regulate the distribution of fertilizer. No subsidy seems to have been paid on fertilizer before 1977 except subsidy on Phosphate due to its high prices in the international market during 1977.*

6.13.3 Till 30th September 2000, the fertilizers subsidy was being administered by DAC and thereafter it was continued by Department of Fertilizers with changed parameters from time to time.

6.13.4 On the recommendation of the Maratha Committee, the Government had introduced Retention Price Scheme (RPS) for nitrogenous fertilizers in November 1977. Subsequently, this was extended to phosphatic and other complex fertilizers from February 1979 and to Single Super Phosphate from May 1982, which continued up to 1991. Later on, subsidy was also extended to imported phosphatic and potassic fertilizers.

6.13.5 In early 1990s, the country was facing mounting fiscal deficit and there was a threat of foreign exchange crisis. In order to overcome the situation the Government announced an increase of 40% in the price of fertilizers in July, 1991. Some of the fertilizers which were under the subsidy scheme were decontrolled. Subsequently, apprehending low consumption of fertilizer due to high prices and consequently low agriculture productivity, Government rolled back 10% of increase in urea price.

6.13.6 In December 1991, the Government set up a Joint Parliamentary Committee (JPC) on Fertilizer Pricing to review the existing methods of computation of retention prices for different manufactures of fertilizers and to suggest measures for reducing fertilizers prices without straining the exchequer. The JPC submitted its report on 20th August 1992. The main conclusions and recommendations of the Committee were that the rise in subsidy was mainly due to increase in the cost of imported fertilizer, de-valuation of rupee in July 1991 and the stagnant farm gate prices from 1980 to 1991. The Committee did not favour total decontrol of fertilizers but recommended decontrol of import based phosphatic and Potassic fertilizers along

with a marginal 10% reduction in the consumer price of Urea.

6.13.7 Based on the recommendations of JPC, Government of India decontrolled all Phosphatic and Potassic (P&K) fertilizers namely DAP, MOP, NPK complex fertilizers and SSP with effect from 25th August 1992 which were under RPS since 1977 whereas Urea remained under RPS.

6.13.8 Since subsidy was retained on the nitrogenous fertilizers (Urea) while phosphatic fertilizers were decontrolled, the prices of phosphatic fertilizers in the market became comparatively high. As a result, production and consumption of nitrogenous fertilizers increased and consumption of P&K fertilizers decreased. This led to severe imbalance in consumption of nitrogenous, phosphatic and Potassic fertilizers. Apprehending imbalance in fertilization of the soil, un-affordability of fertilizers due to increase in phosphatic and potassic fertilizer prices, the Government of India announced ad hoc concession for phosphatic and potassic fertilizers from Rabi 1992 to cushion the impact of price hike and to encourage balanced fertilization.

6.13.9 Initially, the ad-hoc Concession Scheme was applicable to DAP, MOP and NPK Complex fertilizers. This scheme was subsequently extended to SSP from 1993-94. Concession was disbursed to the manufacturers/importers by the State Governments during the period 1992-93 to 1993-94 based on the grants provided by Department of Agriculture & Cooperation.

6.14 Introduction of MRP

6.14.1 In 1997-98, Department of Agriculture & Cooperation started indicating an all India uniform Maximum Retail Price (MRP) for DAP/NPK/MOP. The responsibility of indicating MRP in respect of SSP rested with the State Governments. The MRP of P&K fertilizers were revised on 28.2.2002, which continued upto 31.3.2010 in case of DAP and MOP. However, in case of complex fertilizers, the MRP was revised on 18.6.2008. The Special Freight Subsidy Reimbursement Scheme was also introduced in 1997 for supply of fertilizers in difficult areas of J&K and North-eastern States, which continued upto 31.3.2008. The total delivered cost of fertilizers being invariably higher than the MRP indicated by the Government, the difference in the delivered price of fertilizers at the farm gate and the MRP was compensated by the Government as subsidy to the manufacturers/importers.

6.14.2 The subsidy on SSP was paid by the Central Government whereas the MRP was fixed by the respective State Government till March 2008. For a period from May 2008 to September 2009, the MRP of the SSP was announced by DOF on all India basis. MRP of SSP was left open w.e.f. 1.10.2009 till 30.4.2010 and a fixed subsidy of Rs.2000 PMT was paid on SSP.

6.15 Subsidy on P&K fertilizers under Concession Scheme

6.15.1 The computation of subsidy on P&K fertilizers was based on Cost Price Study on

DAP and MOP conducted by Bureau of Industrial Costs and Prices (BICP) now called Tariff Commission (TC). The subsidy rates were decided on the cost plus approach on quarterly basis w.e.f. 1.4.1999. The total delivered cost of the fertilizers being invariably higher than MRP fixed by the Government, the difference between delivered price of fertilizers at farm gate level and the MRP was compensated by Government in the form of subsidy.

6.15.2 The Government introduced a new methodology for working out subsidy on complex fertilizers w.e.f. 1.4.2002 based on the recommendation of TC. The complex manufacturers were divided into two groups based on feed stock for sourcing nitrogen i.e. Gas and Naphtha. With passage of time, DAP industry started using different raw materials such as Rock Phosphate for producing phosphoric acid. DOF framed a proposal suggesting methodology to link phosphoric acid price with international DAP price. The matter was referred to Expert Group under chairmanship of Prof. Abhijit Sen. The report of this Group was submitted in October 2005 and considered by Inter ministerial group. TC conducted fresh cost price study of DAP/MOP and NPK complexes and submitted its report in December 2007. Based on this TC report, the subsidy was calculated on monthly basis till 31.3.2010.

6.16 Impact of Concession Scheme

6.16.1 The MRP of P&K fertilizers provided to farmers were much lower than its delivered cost. This led to increase in consumption of fertilizers during the last three decades and consequently increase in food grain production within the country. However, it was observed in last few years that the marginal response of agricultural productivity to additional fertilizer usage in the country had fallen sharply, leading to near stagnation in agricultural productivity and consequently agricultural production. The disproportionate NPK application, rising multi-nutrient deficiency and lack of application of organic manures leading to reduction in carbon content of the soil, was attributed to the stagnating agricultural productivity. The fertilizer sector worked in a highly regulated environment with cost of production and selling prices being determined by the Government of India, due to which fertilizer industry suffered from low profitability as compared to other sectors. The growth of fertilizers industry was stagnated with virtually no investments for the past 11 years in urea sector and for over eight years in P&K sector. The fertilizer industry had no incentive to invest towards modernization and improving efficiency.

6.16.2 Innovation in the fertilizer sector also suffered as very few new products were introduced by fertilizer companies, since they got outpriced by subsidized fertilizers. The industry had no incentive to focus on farmers leading to poor farm extension services, which was necessary to educate farmers about the modern fertilizer application techniques, soil health and promotion of soil test based application of soil and crop specific fertilizers.

6.16.3 The subsidy outgo of Government had increased exponentially by 500% during

between 2005-06 to 2009-10 under the Concession Scheme with about 94% of the increase due to increase in international prices of fertilizers and fertilizer inputs, and only 6% attributable to increase in consumption.

6.16.4 It was, thus, observed that the product based subsidy regime (erstwhile concession scheme) was proving to be a losing proposition for all the stake holders viz farmers, industry and the Government. Considering all the issues relating to agriculture productivity, balanced fertilization and growth of indigenous fertilizer industry, competitiveness amongst the fertilizer companies and to overcome the deficiency of concession scheme, the Government introduced Nutrient Based Subsidy (NBS) Policy for P&K fertilizers w.e.f 1.4.2010.

6.17 Nutrient Based Subsidy (NBS) Policy (w.e.f 1.4.2010)

6.17.1 *Under the NBS Policy, the Government announces a fixed rate of subsidy (in Rs. per Kg basis), on each nutrient of subsidised P&K fertilizers, namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S), on annual basis taking into account all relevant factors including international prices, exchange rate, inventory level and prevailing Maximum Retail Prices of P&K fertilizers. The per Kg subsidy rates on the nutrients N, P, K, S is converted into per Tonne subsidy on the various subsidised P&K fertilizers covered under NBS Policy.*

6.17.2 *At present 21 grades of P&K fertilizers namely DAP, MAP, TSP, MOP, Ammonium Sulphate (produced by M/s FACT and GSFC), SSP and 15 grades of NPKS complex fertilizers are covered under the NBS Policy.*

6.17.3 *Under the Policy, MRP of P&K fertilizers has been left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates. In effect, the domestic prices are determined by demand supply mechanism.*

6.17.4 *Under the policy, any variant of the subsidised P&K fertilizers with secondary and micronutrients (except Sulphur 'S'), as provided for under FCO, is also eligible for subsidy. There is separate additional subsidy for micronutrients namely Boron and Zinc. The secondary and micro-nutrients (except 'S') in such fertilizers attracts a separate per tonne subsidy to encourage their application along with primary nutrients.*

6.17.5 *An Inter-Ministerial Committee (IMC) has been constituted with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives of Department of Agriculture & Cooperation (DAC), Department of Expenditure (DOE), Planning Commission and Department of Agricultural Research and Education (DARE). This Committee recommends per nutrient subsidy for 'N', 'P', 'K' and 'S' before the start of the financial year for decision by the Government (Department of Fertilizers). The IMC recommends a per tonne additional subsidy on fortified subsidized fertilizers carrying secondary (other than 'S') and micro- nutrients. The Committee also*

recommends inclusion of new fertilizers under the subsidy regime based on application of manufacturers/ importers and its need appraisal by the Indian Council for Agricultural Research (ICAR), for decision by the Government.

- 6.17.6** The distribution and movement of fertilizers along with import of finished fertilizers, fertilizer inputs and production by indigenous units is monitored through the online web based “Fertilizer Monitoring System (FMS)” as was being done under the Concession Scheme for P&K fertilizers.
- 6.17.7** 20% of the decontrolled fertilizers produced/imported in India has been placed in the movement control under the Essential Commodities Act 1955 (ECA). Department of Fertilizers regulates the movement of these fertilizers to bridge the supplies in underserved areas.
- 6.17.8** In addition to NBS, freight for the movement and distribution of the decontrolled fertilizers by rail, road and coastal shipping/inland waterways is being provided to enable wider availability of fertilizers even in the remotest places in the country.
- 6.17.9** Import of all the subsidized P&K fertilizers, including complex fertilizers has been placed under Open General License (OGL). NBS is available for imported complex fertilizers also except Ammonium Sulphate. However, in case of Ammonium Sulphate (AS) the NBS is applicable only to domestic production by M/s FACT.
- 6.17.10** Though the market price of subsidized fertilizers, except Urea, is determined based on demand-supply dynamics, the fertilizer companies are required to print Retail Price (RP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed MRP is punishable under the EC Act.
- 6.17.11** A separate additional subsidy is also provided to the indigenous manufacturers producing complex fertilizers using Naphtha based captive Ammonia to compensate for the higher cost of production of ‘N’ for a maximum period of two years during which the units are required to convert to gas or use imported Ammonia as feedstock. The quantum of additional subsidy is finalized by Department of Fertilizers in consultation with DOE, based on study and recommendations by the Tariff Commission.
- 6.17.12** The NBS is passed on to the farmers through the fertilizer industry. The payment of NBS to the manufacturers/importers of P&K fertilizers is released as per the procedure notified by the Department.

6.18 Per Kg and Per Metric Tonne subsidy rates under NBS Policy

6.18.1 Based on the recommendations of the Inter Ministerial Committee, the Government has announced the per Kg rates of NBS for the nutrients namely 'N', 'P', 'K'

& 'S' from the financial years 2010-2011 to 2019-20 as under:

| Nutrients | NBS rates (Rs. per Kg) | | | | | | | | | | |
|-----------------|---|--|---------|---------|---------|---------|---------|---------|---------|---------|----------------------|
| | 1 st Apr - 31 st Dec 2010 * | 1 st Jan- 31 st Mar 2011** | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 [@] |
| 'N' (Nitrogen) | 23.227 | 23.227 | 27.153 | 24.000 | 20.875 | 20.875 | 20.875 | 15.854 | 18.989 | 18.901 | 18.901 |
| 'P' (Phosphate) | 26.276 | 25.624 | 32.338 | 21.804 | 18.679 | 18.679 | 18.679 | 13.241 | 11.997 | 15.216 | 15.216 |
| 'K' (Potash) | 24.487 | 23.987 | 26.756 | 24.000 | 18.833 | 15.500 | 15.500 | 15.470 | 12.395 | 11.124 | 11.124 |
| 'S' (Sulphur) | 1.784 | 1.784 | 1.677 | 1.677 | 1.677 | 1.677 | 1.677 | 2.044 | 2.240 | 2.722 | 3.562 |

*Including Rs 300 per MT for secondary freight from rake point to retail points.

** Excluding the secondary freight of Rs 300 PMT.

@ The NBS rates of 2018-19 were continued from 01.04.2019 upto the date of notification of NBS rates for 2019-20. The NBS rates for 2019-20 were notified on 7th August, 2019 and came into effect from 07.08.2019.

6.18.2 The Per MT subsidy on different grade of P&K fertilizers covered under the NBS Policy from the financial years 2010-11 to 2019-20 is given in the **Annexure-XXV**.

6.19 Subsidy for Fortified Fertilizers

6.19.1 As per the NBS Policy a fixed Subsidy is also provided on fortified fertilizers with micro-nutrients namely Boron and Zinc. The rates of subsidy from the years, 2010-11 to 2019-20 are as under:

| Sl. No. | Nutrients for fortification as per FCO | Additional subsidy per MT of fortified fertilizers (in Rs. PMT) |
|---------|--|---|
| 1. | Boron 'B' | 300 |
| 2. | Zinc 'Zn' | 500 |

6.20 Additional Subsidy on Complex Fertilizers produced using Costly Feedstock

6.20.1 As per NBS Policy, additional compensation has been provided to indigenous manufacturers producing complex fertilizers using Naphtha/Fuel Oil/LSHS as feedstock to compensate for their higher cost of production of 'N' for two years w.e.f. 1.4.2010 to 31.3.2012, during which the companies were asked to convert their feedstock to gas or use imported Ammonia. As per this FACT, MFL, and GNFC received additional compensation. Beyond 31.3.2012 the Government has approved additional compensation only to FACT upto 4.10.2013. The rates of additional compensation

provided to these units were as under:

| <i>Name of the company</i> | <i>Grades of Fertilizers</i> | <i>Rates (Rs/MT) of additional compensation (Provisional)</i> |
|----------------------------|------------------------------|---|
| FACT(Cochin) | 20-20-0-13 | 3121 |
| | 20.6-0-0-13 | 3658 |
| MFL, Manali | 20-20-0-13 | 5434 |
| | 17-17-17-0 | 4640 |
| GNFC, Bharuch | 20-20-0-0 | 2534 |

6.20.2 *The above ad-hoc additional compensation was announced on provisional basis subject to final recommendation of Tariff Commission.*

6.21 Freight Subsidy Policy

6.21.1 The freight subsidy for distribution/movement of subsidized P&K fertilizers (except SSP) under the NBS Policy w.e.f. 1.4.2010 to 31.12.2010 was restricted to the rail freight, whereas the secondary freight (from rake point to districts) was assumed to be part of the fixed subsidy. Freight reimbursement on account of direct road movement was made payable as per the actual claim subject to the equivalent rail freight upto a maximum of 500 Kms.

6.21.2 W.e.f. 1.1.2011 to 31.3.2012, freight on account of Primary Movement (by rail from the plant or the port to various rake points) and Secondary Movement (by road from nearest rake points to the block headquarters in the Districts) of all P&K fertilizers (except SSP) was reimbursed as per the Uniform Freight Subsidy policy applicable to urea during the period. Freight subsidy for Direct Road Movement (by road from plant or port to blocks) of all P&K fertilizers (except SSP) was reimbursed as per actual claim subject to the equivalent rail freight upto a maximum of 500 Kms. The rates for reimbursement of freight for direct road movement from 1.4.2010 to 31.3.2012 were as under:

| <i>Movement(K.M.)</i> | <i>Rates Rs. per MT</i> |
|-----------------------|-------------------------|
| <i>Upto 100</i> | <i>108</i> |
| <i>101-200</i> | <i>183</i> |
| <i>201-300</i> | <i>256</i> |
| <i>301-400</i> | <i>327</i> |
| <i>401-500</i> | <i>400</i> |

6.21.3 W.e.f. 1.4.2012, freight subsidy for P&K fertilizers is as under:

- (i) Freight on account of Primary Movement of all P&K fertilizers (except SSP) is reimbursed on the basis of actual rail freight, as per the railway receipts.
- (ii) No reimbursement on account of Secondary Movement of all P&K fertilizers (including SSP), is provided.
- (iii) Freight subsidy for Direct Road Movement of all P&K fertilizes (excluding SSP) is reimbursed as per the actual claims subject to equivalent rail freight to be

announced by DOF from time to time. However, the maximum allowable distance under the direct road movement shall be 500 KMs.

- (iv) Special compensation on account of Secondary movement for all P&K fertilizers (except SSP) is provided for difficult areas namely Himachal Pradesh, Uttarakhand, Sikkim, J&K, 7 North Eastern states and A&N Islands.

6.22 Prices (MRP) of P&K fertilizers under NBS Regime

6.22.1 The country is fully dependent on imports in Potassic sector and to the extent of 90% in Phosphatic sector in the form of either finished products or its raw material. Subsidy being fixed, any fluctuation in international prices has effect on the domestic prices of P&K fertilizers.

6.22.2 Under NBS policy, companies are allowed to fix the MRP on their own. The intention behind introduction of NBS was to increase competition among the fertilizer companies to facilitate availability of diversified products in the market at reasonable prices. However, the prices of P&K fertilizers have gone up substantially and doubts have been raised about reasonableness of the prices fixed by the companies. The prices have gone up substantially on the account of increase in prices of raw materials / finished fertilizers in international market, depreciation of Indian rupee w.r.t US Dollar and also due perhaps to larger profit margins by the companies. This has led to lot of hue and cry from the various quarters and has also led to imbalance in use of fertilizers. Accordingly, in order to check the prices fixed by P&K companies, the Government vide notification dated 8.7.2011 directed the fertilizer companies to fix the prices of P&K fertilizers at reasonable level under the NBS regime. In order to ensure reasonableness of prices fixed by fertilizer companies, while announcing the NBS Policy and rates for the year 2013-14, the following clauses have been incorporated in NBS Policy applicable with effect from 1.4.2012:

- i. It shall be mandatory for all the fertilizer companies to submit, along with their claims of subsidy, certified cost data in the prescribed format and as per the requirement for the purpose of monitoring of MRPs of P&K fertilizers fixed by the fertilizer companies.
- ii. In cases, where after scrutiny, unreasonableness of MRP is established or where there is no correlation between the cost of production or acquisition and the MRP printed on the bags, the subsidy may be restricted or denied even if the product is otherwise eligible for subsidy under NBS. In proven case of abuse of subsidy mechanism, DOF, on the recommendation of IMC may exclude any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS scheme.
- iii. The reasonableness of MRP will be determined with reference to the MRP printed on the bags.

Subsidy outgo on P&K fertilizers during the previous years
(inRs. crore)

| Year | Subsidy on P&K fertilizers | Subsidy Regime for P&K fertilizers |
|---------|----------------------------|------------------------------------|
| 2005-06 | 6596.19 | Concession Scheme |
| 2006-07 | 10298.12 | |
| 2007-08 | 16933.80 | |
| 2008-09 | 65554.79 | |
| 2009-10 | 39452.06 | |
| 2010-11 | 41500.00 | |
| 2011-12 | 36107.94 | NBS regime |
| 2012-13 | 30576.10 | |
| 2013-14 | 29426.86 | |
| 2014-15 | 20667.30 | |
| 2015-16 | 21937.56 | |
| 2016-17 | 19000.01 | |
| 2017-18 | 22237.00 | |
| 2018-19 | 24080.35 | |
| 2019-20 | 26335.00 | |

6.23 Quality of Fertilizers

6.23.1. 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 provision 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 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.

6.23.2 The quality of the imported fertilizers is checked by the fertilizer quality control laboratories of the Government of India. It can only be sold if it conforms to quality as per FCO specification.

6.23.3 The penal provision under the ECA, 1955 for violation of quality standards includes prosecution of offenders and sentence if convicted up to seven years imprisonment besides cancellation of authorization certificate and other administrative action. The Department of Fertilizers does not pay any subsidy on sale of non-standard fertilizers and in case it has been paid, a recovery along with penal interest is made. In order to ensure this, Department of Fertilizers obtains quality certificate of all fertilizers on which subsidy is paid.

6.23.4 The Department of Fertilizers has taken various preventive measures to ensure quality of SSP which has always been an issue. Some of these measures are as

under:

- To conduct first time technical inspections by PDIL/FEDO of the then existing SSP units/new units in order to ascertain the technical competence of the units to manufacture SSP of the standards laid down under the FCO.
- To conduct six monthly inspections of the existing SSP units by PDIL/FEDO in order to ascertain as to whether the units are adhering to the policy guidelines of subsidy scheme for claiming payment of subsidy and to ensure quality.
- To recommend and notify various grades of rock phosphate of various origins/countries suitable for manufacturing SSP under the concession scheme as per the FCO after obtaining recommendation from PDIL/FEDO. SSP units are allowed to use only notified rock phosphates.
- The Government also checks the quality of imported Rock Phosphate through PDIL/FEDO in some cases to ensure the quality of SSP.
- The Department conducts periodic inspections of SSP units. The Department has also started inspection of SSP units at very short notice for ensuring quality.
- Subsidy is provided subject to monthly quality checks of SSP by the State government.

CHAPTER – 7

Public Sector Undertakings

7.1 Brahmaputra Valley Fertilizer Corporation Limited (BVFCL)

1. Brief overview of the organisation:

Brahmaputra Valley Fertilizer Corporation Limited (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. Its Corporate & Registered Offices are also located at Namrup.

The authorize share capital and paid up capital of the company as on 31.03.2019 were Rs. 510 Crores and Rs. 365.83 Crores respectively.

2. Vision/ Mission:

To remain a significant producer of nitrogenous fertilizer in an efficient, economical and environment friendly manner and provide a package of agricultural services in Eastern India.

3. Industrial/ Business Operations (Previous Year & Current Year projections):

(i) Physical Performance (against capacity):

| Unit | Installed Capacity per annum | 2018-19 | | 2019-20 (up to 02.02.2020) | | |
|-------------------------------|------------------------------|-----------------|--------------------------|----------------------------|--------------------------|---|
| | | Production (MT) | Capacity Utilisation (%) | Production (MT) | Capacity Utilization (%) | Projected Capacity Utilisation (%) |
| Neem Coated Urea (Namrup-II) | 240000 | 57712 | 24.05 | 36033 | 18.02 | 18.02* |
| Neem Coated Urea (Namrup-III) | 270000 | 228603 | 84.67 | 109905 | 48.85 | 53.67 (Projecting 17500 MT per month in Feb-20 & Mar-2020) |
| Total | 510000 | 286315 | 56.14 | 145938 | 34.34 | 35.48 |

* Due to non-availability of Natural Gas beyond the contracted quantity, Namrup-II plants are being urn at 50% load with one steam of Urea Plant during the post revamp period w.e.f. Nov. 2005. However, the capacity utilisation has been calculated based on 100%of the installed Capacity.

***Namrup-II plant is under shut down w.e.f. 06.01.2020 due to a major failure in the Synthesis Section of Ammonia Plant and is expected to remain shut down during the remaining two months of the FY 2019-20.**

| Marketing | Sales during 2018-19 (MT) | Sales up to Oct. 2019 (MT) | Sales Projection for 2019-20 (MT) |
|-------------------------------|---------------------------|----------------------------|-----------------------------------|
| Urea (Total of Namrup-II&III) | 2,69,972 | 1,11,710 | 2,27,000 |

Reasons for major deviation in performance, if any: Equipment breakdowns and restrictions/interruptions in steady Natural Gas supply from M/s Oil India Limited.

(ii) Financial performance

(Rs. Crore)

| Parameter | For the year 2018-19 | 2019-20 up to Sept.'19 (Provisional) | 2019-20 (Projected) |
|-------------------------|----------------------|--------------------------------------|---------------------|
| Turn Over | 476.83 | 190.38 | 456.67 |
| Profit before Tax (+/-) | (-) 63.15 | (-) 58.75 | (-) 86.05 |
| Net Profit (+/-) (PAT) | (-) 63.15 | (-) 58.75 | (-) 86.05 |

4. Performance Highlights:

(I) Previous Year & Current Year

No major improvement in performance of both Namrup-II and Namrup-III Plants were observed during the year 2018-19 compared to previous year's performance as stated below:

- BVFCL has produced 2,86,315 MT of Urea during the year 2018-19 with 57,712 MT from Namrup-II and 2,28,603 MT from Namrup-III Plants respectively. The average specific energy consumption for the year was 17.28 Gcal/MT and 12.77 Gcal/MT of urea for Namrup-II and Namrup-III Plants respectively.
- Ammonia and urea plants in Namrup-III recorded a production of 1,18,687 MT and 2,28,603 MT in the year 2018-19 compared to 1,10,438 MT and 2,11,856 MT respectively in 2017-18. Average plant load during the year in Namrup-III was about 84.67%.
- Ammonia production was 64,874 MT in Namrup-II during the year 2018-19 while Urea production was 57,712 MT.
- Ammonia and urea plants of Namrup-III recorded stream days of 257 days and 269 days respectively during the year 2018-19.

- Ammonia and urea plants of Namrup-II recorded stream days of 274 days and 200 days (single stream basis) respectively during the year 2018-19.
- During the year 2019-20 (upto 31.10.19), 56,480 MT of Ammonia and 89,448 MT of Urea so far produced in Namrup-III plants and 17,900 MT of Ammonia and 20,915 MT of Urea so far produced in Namrup-II plants.
- On-stream days of 131.41 days in Namrup-III and 79.94 days in Namrup-II were achieved in 2019-20 (upto 31.10.19).
- Plant load has been restricted due to tube leakages in Water Cooled Condensers both in Namrup-II and Namrup-III as well as low performance of some of the critical catalysts like synthesis & HT and LT in Namrup-II and Primary Reformer in Namrup-III.
- Unforeseen failures in Ammonia Synthesis Section of Ammonia-II and in Process Air Compressor and Synthesis Gas Compressor of Ammonia-III also caused considerable production loss.

One of the major impediments in operating Namrup-II Plant at higher load remained limitation in Natural Gas supply to 1.60 MMSCMD and ageing of various equipments and machineries. This has restricted maximum plant load of Namrup-II to 50%. Moreover, the plants were taken to crash shut downs a number of times due to restriction in gas supply from M/s OIL. The performance of Namrup-II Plants was also affected due to various Mechanical, Electrical and Instrument problems, Electrical flash-overs etc. The Water Cooled Condenser of Ammonia Plant of Namrup-III has developed multiple tube leakages, which are being blocked periodically. This is resulting in interruption in plant operation. Procurement action for a new one has been initiated; however, the item may be received by June 2020.

The Company has been able to produce 44.228 MT of Bio Fertilizer and 94.741 MT of Vermi Compost in 2018-19. Bio Fertilizer produced during the year 2018-19 has surpassed the previous year all time highest annual production. The company has sold 44.874 MT of Bio-fertilizers in 2018-19 against 42.007 MT in 2017-18. It has sold 99.601 MT of Vermi-Compost in 2018-19 against 87.179 MT in 2017-18.

The company is continuing the trading activities of Sale of City Compost, Sale of SSP etc. for agricultural products to help farmers so that all Agro products are available under one roof (Single Window Concept). During the year 2018-19, a quantity of 11,801.40 MT of SSP was sold. During the current year of 2019-20, 3,370 MT of MoP, 229 MT of City Compost and 6.20 MT of Bio Fertilizers have been sold upto 31.10.2019. Further sale plan in the current year is in hand. Some of the recent steps initiated are -

- i. MoU has been signed between BVFCL and NFL on 10.06.2019 for trading of Urea. As per this agreement, 40,000 MT of Urea of NFL will be marketed by

BVFCL (in 1st phase) in the state of Assam. 23,443 MT of NFL Urea has already been traded by 31.10.2019.

- ii. Process of signing of MoU with National Seed Corporation for trading of seeds is under progress.
- iii. Proposal for export of 60,000 MT of Urea by BVFCL has been submitted to DoF for consideration.
- iv. 20,000 MT of MoP, 30,000 MT of SSP and 10,000 MT of Rock Phosphate is being planned to be sold during the year 2019-20.

Continuous efforts are being made in Maintenance and Operation field, so as to improve the performance of the plant. Adequate measures have been taken as detailed below to continue production with cost control/cost reduction, import substitution of spares through reverse engineering in Company Workshop as well as through indigenous vendors which not only saved foreign exchange but also reduced high lead time in procurement.

(II) New Investments & Projects

BVFCL plants are underperforming due to obsolete technology, equipment failures and shortage of natural gas. The capacity of the plants is much below the present day minimum economic size and the technology employed doesn't provide any leverage for energy efficiency at par with the present day plants. Acute shortage of experienced and qualified manpower is also affecting its performance to a great extent.

In order to make best use of the available Natural Gas and to revive the company, proposal for establishment of a new large size Brownfield Ammonia-Urea plant at Namrup on PPP mode was initiated along with financial restructuring of the Company for short term sustainability till the commissioning of the proposed new plant. As per the proposal, 48% equity of this project was to be allotted on nomination basis and rest 52% equity of the project was to be allotted to private/public entity through bidding. The proposals received approval of the Union Cabinet in its meeting held on 21st May 2015. However, the action taken to allot 52% of the equity to a Private/Public partner through bidding process failed to yield any result.

To take care of the evaluated reasons of unfavourable response to RFP and to make the project more Techno-Economically attractive DoF is initiating a fresh proposal to seek Cabinet approval with revised project profile by enhancing the plant Capacity to 12.70 LMTPA and allotment of 52% equity to CPSEs only is under consideration of the competent authority.

(III) Revival of Sick/Weak Units – Status/Action Plan

All the Namrup plants are based on technologies as available during 1960 and 70's. Thus the energy consumptions are much higher as compared to modern plants. As

the technologies have become obsolete, availability of spares for maintenance and replacement of the machineries/equipments is becoming increasingly difficult. The machines being old, the frequency and degree of maintenance is also high.

In the year 2010, process licensor was engaged for health study of the existing plants and suggest the remedial measures for efficient and sustained running of the plants. After study, it was suggested for revamping at the cost of Rs.1726 Cr. with a marginal increase in production and lowering of the energy, which was not found economically viable and it was decided to install a larger capacity brown field new plant and till then the existing plants are being run safely.

5. Human Resource Management

I. Manpower (as on 01.11.2019)

| Category | Total Employees | Number of Employees belonging to | | | | |
|----------|-----------------|----------------------------------|----|-----|------|-------|
| | | SC | ST | OBC | P.Hs | Women |
| Officer | 405 | 35 | 45 | 124 | Nil | 23 |
| Workmen | 172 | 15 | 31 | 58 | 1 | 12 |
| Total | 577 | 50 | 76 | 182 | 1 | 35 |

II. Grievances Redressal

There is an Employees Grievance Redressal Committee at BVFCL Namrup under the chairmanship of General Manager (Marketing & HR) with the representative of both the recognized unions and Joint Council of Officers in the committee as Members. Aggrieved employees submit their grievances to the Coordinator of the Committee and the grievances are examined and put up to the chairman of the committee for redressal. No complaint was received during 2018-19 and 02 Nos. grievances have been received during 2019-20 and the same are under process.

III. Welfare of Minorities

As per directives received from the Administrative Ministry regarding PM's 15 point programme relating to welfare of minorities, BVFCL is taking due care at the time of recruitment, promotion etc. A representative of the minority committee is also included in the selection committee for recruitment and promotion.

IV. Training

For Employees: At BVFCL, continuous effort for improved performance of employees is made through in-house training both in the plant and through classroom lectures. In spite of limitations on fronts like fund and training resources, BVFCL works out training need assessment based on the yearly feedback on performance from the departments. Further extensive training need survey is carried out periodically based on the analysis of the educational qualification, training imparted during the induction period, subsequent on the job exposure, summarized feedback on performance and interviews. `

During the year ending on 31st March'2019, total 06 in-house training programmes were conducted at Training Department. Total 13 employees were deputed for external training programmes conducted by various agencies.

For the youths of the locality:

- (i) BVFCL has been imparting vocational training to the unemployed educated youths as recommended by the concerned Institutes.
- (ii) In addition to the above, we have been engaging Apprentices at our corporation under the Apprenticeship (Amended) Act 1973 and 1986.

6. CSR& Sustainable Development

Besides extending housing and medical facilities to its employees and their dependents, educational facilities are also provided to the children of the employees and wards of township and nearby villages. It is running one Higher Secondary School, one Kendriya Vidyalaya, one Model High School (English medium) and one Primary School. It had also extended its patronage earlier for establishment of one normal Degree College, one B.Ed College for higher educational training, and one Junior College and for State Dispensary for extending general medical facilities to non-employees.

A 60 bed hospital with modern equipments is available to extend medical facilities to employees and their dependents, near-by people, and contract workers. Facilities like drinking water, market, land for religious/cultural activities, land for telephone exchange, post office, banks, employment exchange etc. are also provided for the local people.

In compliance of the relevant provision of the Company Act 2013, a Corporate Social Responsibility Committee has been formed comprising Board members and below Board level.

Besides these activities, BVFCL has taken up various innovative activities under "Swachh Bharat Abhiyan". However, the Company do not have adequate CSR Fund computed under the provisions of Section 135(5) read with the section 198 of the Companies Act, 2013 and applicable rules made thereunder.

7. Initiatives to improve the performance of the organisation

In order to ensure the operation of the existing plants upto 2023-24, till commissioning of the new project, problems leading to breakdown of the equipments has been identified and replacement/rectification are being taken-up progressively.

Continuous efforts are being made in Maintenance and Operation field, so as to improve the performance of the plant. Adequate measures have been taken as detailed below to continue production with cost control/cost reduction, import substitution of spares through reverse engineering in Company Workshop as well as through indigenous vendors which not only saved foreign exchange but also reduced high lead time in procurement.

Some of the major jobs done recently towards better stabilisation of plant performance are as follows:

(a) Namrup-III Plants

- i. Reconditioning of old plungers of HP Seal Water Pump for Centrifugal Carbamate Pump in Urea Plant.
- ii. Import substitution for mechanical Seal Centrifugal Carbamate Pump was explored and was procured for Rs.6.5 Lakhs against the imported cost of Rs.27.00 Lakhs.
- iii. Retrofitting of the old diaphragm pack for use in the Synthesis gas Compressor at a cost of Rs.42.00 Lakhs against the procurement cost of Rs.343.88 Lakhs.

(b) Namrup-II Plants

- i. Reconditioning of a sheared shaft of Cooling Tower Pump by welding and machining using in-house resources at a cost of Rs.0.60 Lakhs and thereby saving the procurement cost of Rs.6.0 Lakhs for a new shaft.
- ii. Reconditioning of a damaged impeller by welding and machining with in-house resources for Cooling Tower Pump at a cost of Rs.0.50 Lakhs instead of procuring a new one at a cost of Rs.10.02 Lakhs.
- iii. The Purge Gas generated from Ammonia Plant Recovery is being re-utilized in Auxiliary Boiler to save 300 NM³/Hr. of NG fuel amounting to about Rs.1.0 Cr per annum.

(c) Utility Plants and Other areas

- i. Replacement of various defective electronic cards of Gas Turbine Generator and automatic weighing machine of Bagging Plant from non-OEM vendors. These components were procured from the reputed suppliers to repair the defective cards in-house. 14 Nos. of such cards were identified for repairing and testing in Company's Electronic Workshop.
- ii. Some of the conventional street lights, tube lights and bulbs were replaced by Solar/ LED lights for energy saving.
- iii. Energy Saving by installation of a 3 KW Solar Power Plant in Captive Power Plant and Hospital.
- iv. LED bulbs were distributed amongst the employees against payment for replacement of the conventional bulbs in their residence.

Some of the cost saving measures implemented in 2018-19 towards better stabilisation of plant performance are as follows:

(a) Namrup-III Plants

| Sl. No. | Description | Remarks | Approximate savings | Status |
|---------|---|--|---------------------|-----------|
| 1. | Replacement of HP barrel rotor of Process Air Compressor. | Cost of procurement of this rotor from OEM is approx. Rs. 7.0 Cr, whereas, we have incurred Rs.1.05 Cr. by procuring through competitive | Rs.6.0 Cr | Completed |

| | | | | |
|----|--|--|-----------------|-----------|
| | | bidding and from indigenous source. Performance of compressor is satisfactory. | | |
| 2. | Replacement of old HE-5 (By-pass Cooler) of Synthesis Gas Compressor. | Cost of procurement of this bypass cooler from OEM is approx. Rs.60.00 Lakhs, whereas, we have incurred Rs. 20.50 lakhs by procuring through competitive bidding and from indigenous source . Performance of the cooler is satisfactory. | Rs.40.00 Lakhs. | Completed |
| 3. | Replacement of 3 rd Super-heater coil of Auxiliary Boiler. | Cost of procurement of super-heater coil from OEM is approx. Rs.1.5 crores, whereas, we have incurred Rs. 20 lakhs by in-house fabrication of coil. Performance of Auxiliary Boiler is satisfactory. | Rs.1.30 Cr. | Completed |
| 4. | Damaged throttle valve of Process Air Compressor governing system was replaced with spares fabricated in in-house workshop through reverse engineering. | Saving of about Rs.70.00 Lakhs, which is the procurement cost of a new imported one. | Rs.70.00 Lakhs | Completed |
| 5. | At present Synthesis Gas Compressor rotors of 1 st and 2 nd Barrels of the compressor are not available with us which are essentially required for such critical high speed machine. In recent past failure of seals, bearings, diaphragms and rotor have occurred. 1 st & 2 nd Barrels of this compressor which are old & used and in good condition have been procured from sold off plant of HFCL Durgapur. | Based on the Purchase Order of September 1980, cost of 1 st and 2 nd Barrels of compressor comes out to be Rs. 162.27 lakhs (without escalation). While the cost of old, used and good condition compressor purchased from sold out unit of HFCL Durgapur is Rs. 16.20 lakhs | Rs.146.07 lakhs | Completed |

(b) **Namrup-II Plants**

| Sl. No. | Description | Remarks | Approximate savings | Status |
|---------|--|---|-------------------------|-----------|
| 1. | Repair of Cooling Tower motor (440 KW) by welding, centering, fabrication of some spares in Company's Mechanical workshop | Cost of new procurement is Rs.15.00 Lakh and approximate repairing cost will be Rs.1.0 Lakh | Rs.14.00 Lakhs | Completed |
| 2. | Repairing of cross head guide block of CO2 compressor of Urea plant by welding and machining. | Approximate repairing cost of Rs.2.0 Lakh against new procurement cost of Rs.28.00 Lakh | Rs.26.00 Lakh | Completed |
| 3. | CO2 compressor spares from OEM are not available as production of such compressors has been stopped. 3 rd and 4 th stages of this Compressor which are old & used and in good condition have been procured from sold off plant of HFCL Durgapur. Compressor parts purchased have been installed in CO2 compressor and are giving satisfactory performance. | Based on the Purchase Order of April 2000, cost of 3 rd and 4 th stages of compressor comes out to be Rs. 176.18 lakhs (without escalation). While the cost of old, used and good condition compressor purchased from sold out unit of HFCL Durgapur is Rs. 12.94 lakhs | Approx. Rs.163.23 lakhs | Completed |

(c) Utility Plants & Other Areas

| Sl. No. | Description | Remarks | Approximate savings (Rs.) | Status |
|---------|---|--|---------------------------|---------------|
| 1. | Changing conventional tube lights with LED lights. | Energy saving by investing Rs.7.26 Lakh on LED tube lights. | Rs.6.6 Lakhs/year | 60% Completed |
| 2. | Reconditioning of used Boiler Circulation Water Pump casing of Waste Heat Boiler-I & II of Captive Power Plant & Utility-III instead of procuring new one | Cost of new procurement is Rs.8.0 lakh and its approximate reconditioning cost will be Rs. 65,000. | Rs.7.35 Lakhs | Completed |
| 3. | Replacement of 20 Nos. conventional street lights with solar LED street lights. | Energy saving @ 4 KWH /Hr | Rs.19.34 Lakhs /year | Completed |
| 4. | Replacement of 3300 Nos. conventional tube lights with LED lights. | Energy saving @ 82.5 KWH /Hr | | Completed. |
| 5. | Changing 2000 conventional bulbs with LED bulbs. | Energy saving @ 85.5 KWH/Hr | | Completed |

As the plants are old and based on obsolete technology, steps have been initiated to conduct HAZOP Study and Quantitative Risk Assessment for the first time by engaging an external competent agency. This is required to identify all causes of deviation from normal safe operation, if any, which could lead to any safety hazards or operability problems and to define any action required to deal with it to ensure safe operation of the plants and safety of the personnel and surrounding areas by further improving environmental conditions in the plants and surroundings. External Safety Audit is already being carried out regularly.



Visit of Union Minister for C&F



Observation of Gandhi Jayanti



Cleaning of Heat Exchangers in Ammonia Plant



Meeting with Shri BP Baishya, MP (RS)



Observation of Vigilance Awareness Week



Observation of World Environment Day at BVFCL Namrup



Meeting of Mutual Aid Scheme



Swachhta Pakhwada 2019

7.2 The Fertilisers and Chemicals Travancore Limited (FACT)

1. Brief Overview of the Organisation

The Fertilisers And Chemicals Travancore Limited (FACT) incorporated in the year 1943 is one of the first large scale fertilizer companies in India. Located at Udyogamandal, Kerala, FACT started production in 1947. Initially in the private sector promoted by the Seshasayee Brothers, FACT became a PSU in the year 1960 and towards the end of 1962; Government of India became the major shareholder of FACT.

From a modest beginning, FACT has expanded and diversified into multi-divisional Organisation with varied activities. The parent Division at Udyogamandal underwent four stages of expansion until the year 1972, upgrading technology and increasing capacity.

Another fertilizer unit was established in two phases at Ambalamedu near the BPCL-Kochi Refineries (Ambalamedu is about 30 km away from Udyogamandal). Phase-I, with the Ammonia-Urea Complex commissioned in 1973 and Phase-II consisting of Sulphuric Acid, Phosphoric Acid and Complex Fertiliser Plant commissioned during 1976-78. The said unit is named as Cochin Division.

FACT expanded further with the commissioning of the Petrochemical Division at Udyogamandal for production of Caprolactam during 1990-91 and saw FACT diversify into the then sunrise Petrochemical industry.

In the 1960's, recognising the need for developing indigenous capabilities for design and construction of Chemical and Fertiliser Plants, FACT established an Engineering & Consultancy wing christened FEDO (FACT Engineering & Design Organisation). A Fabrication Division FEW (FACT Engineering Works) was also established in 1966.

Ammonia is a basic input for FACT's Fertilisers and also for Caprolactam production. Until 1998 this was being met from the production from the Ammonia Plants of Cochin Division (capacity: 198000 MT per annum) and Udyogamandal Division (Capacity: 85800 MT per annum) and imports (2.1 lakhs MT per annum).

FACT was forced in 1994 to take up the Ammonia Plant project consequent to a High Court Judgement directing the Ammonia Storage facilities at Cochin Port be closed due to environmental considerations.

With the adoption of group pricing scheme for urea by Government of India with effect from 01.04.2003, the operations of the Ammonia/Urea plant at Cochin Division became economically unviable with the energy consumption levels of these plants. Consequently, it was decided to shut down the Ammonia-Urea plants at Cochin Division.

Main Products of FACT

| <i>Product</i> | <i>Installed Capacity</i> |
|-------------------------|---------------------------|
| 1. FACTAMFOS (NP 20:20) | 6,33,500 MT per annum |
| 2. AMMONIUM SULPHATE | 2,25,000 MT per annum |
| 3. CAPROLACTAM | 50,000 MT per annum |

2. Vision/Mission

FACT's vision is to be a significant player in Fertilisers, Petrochemicals and other businesses such as engineering and technology services

3. Industrial / Business Operation

Turnover of the Company for the year 2018-19 was Rs 1955 crore and the financial results showed a net profit of Rs 163.14 crore against a net loss of Rs 129.06 crore during 2017-18.

The physical performance of the organization, during the year 2018-19, was affected by Kerala floods forcing stoppage of plants in August '18 and dependence on imported Ammonia due to high RLNG prices, limiting production levels.

Factamfos production (bagged) for the year was 6.17 Lakh MT and Ammonium Sulphate 1.42 Lakh MT during 2018-19.

i. Physical Performance

| Production (MT) | Installed Capacity | Production (MT) 2018-19 | Capacity Utilisation (%) 2018-19 | Production upto October 2019 | Projection for 2019-20 | Projected Capacity Utilisation (%) |
|----------------------|--------------------|--|----------------------------------|------------------------------|------------------------|------------------------------------|
| FACTAMFOS (NP 20:20) | 633500 | 616815 | 97 | 485220 | 680000 | 107 |
| AMMONIUM SULPHATE | 225000 | 141754 | 63 | 113263 | 180000 | 80 |
| CAPROLACTAM | 50000 | Shut down due to economic unavailability | | Trial run | | - |

Reasons for major deviation in performance if any;

During the year 2018-19, fertilizer production was affected by Kerala floods during August 2018. Also the dependence on imported ammonia affected production levels. During 2019-20, Company could improve the production levels with LNG based ammonia production.

| Marketing (MT) | Sales during 2018-19 | Sales upto Oct.19 | Sales projections for 2019-20 |
|----------------------|----------------------|-------------------|-------------------------------|
| FACTAMFOS (NP 20:20) | 620552 | 479837 | 680000 |
| AMMONIUM SULPHATE | 136645 | 119154 | 180000 |
| IMPORTED NPK16:16:16 | - | 10991 | 27000 |
| CITY COMPOST | 9370 | 6645 | 9800 |
| BIOFERTILISER | 9 | 42 | 120 |

ii. Financial Performance (Rs Crore)

| | For the year 2018-19 | For the Period April-Oct 2019 | Projections for 2019-20 |
|-------------------------------|----------------------|-------------------------------|-------------------------|
| Turn Over (Rs. Crore) | 1954.98 | 1588.22 | 2210.45 |
| Profit before tax (Rs. Crore) | 163.14 | -69.63 | -172.79 |
| Profit after Tax (Rs. Crore) | 163.14 | -69.63 | -172.79 |

4.0 Performance Highlights

4.1 Previous Year & Current Year

Previous Year (2018-19)

- Annual NP production of Factamfos at Cochin division (505240 MT) surpassed 5 lakh MT for the first time after 2009-10.
- On Marketing front, Factamfos sale was of 6.2 Lakh MT (98% of capacity) and Ammonium Sulphate sale 1.4 Lakh MT (60.5 % capacity utilisation)
- Record Organic fertilizer (City Compost) sales of 9371 MT, surpassing the earlier best of 5855 MT in 2017-18.
- Development and launching of Phosphate Rich Organic Manure (PROM) on 09-11-2018 with a view to improve the soil health and widen company's product base.
- As a part of the revival strategy, Company leveraged 170 acre of land with BPCL and its proceeds, after deducting the outstanding dues, received during the year.
- Company analysed 10009 no's of soil samples against the MOU target of 10000 for the FY 2018-19 at the Soil Testing Lab at Udyogamandal.

Current Year (2019-20)

- Company could considerably improve the Production & Sales performance w.r.t previous year and surpassed MOU excellent targets for all End Products (Half Yearly) in Production and Sales. Fertiliser production is maintained with RLNG based Ammonia.
- Highest Half yearly Fertiliser production (4.97 lakh MT of NP+AmmSulphate) - Previous best 4.90 LMT in 2016-17.
- Highest NP sales for the first half year (3.96 lakh MT) in last 19 years. (Best 4.2 L MT in 2000-'01).
- All time highest monthly sales (34086 MT) for Ammonium Sulphate during October 2019.
- Successfully completed the Phase 2 trial runs of Caprolactam plant. Phase 3 trial runs are progressing. Company plans to restart Caprolactam operations during 2020.
- With enhanced production and Sales performance, company plans to improve the turnover from Rs 2000 Cr. of 2018-19 to Rs 2400 Cr during 2019-20.

4.2 New Investments /Projects

About Rs 700 crore from land sale to Government of Kerala is proposed to be invested in Capex for expansion and modernization. FACT is prioritising the investment options for essential capital jobs and debottlenecking the physical operations of the company, along with expanding the product base. Major projects include new NPK plant, Storage tanks for Ammonia, Sulphuric Acid & phosphoric Acid, schemes for plant reliability & efficiency improvement in Ammonia plant, etc.

4.3 Revival of Sick / weak units Status / Action Plan

- Union Cabinet has accorded approval for sale of 481.79 acres of land to Government of Kerala. The proceeds from Land sale is proposed to be invested in Capex for expansion and modernization.
- The land monetization will result in improvement in Net worth and reduction in accumulated loss. However, a financial restructuring to reduce the interest burden of GoI loan & interest is required to wipe out the accumulated loss, along with positive net worth. Company has submitted a revised financial restructuring proposal to Department of Fertilisers. The revival proposal along with the implementation of the proposed expansion & modernization schemes will turnaround the company with an enhanced fertilizer production in the range of 13 LMT and turnover of Rs.4500 crore.

5.0 Human Resources Management

5.1 Manpower

The total number of regular employees as on 31-10-2019 employed by the Company is 1671. Company has recruited 39 Management Trainees, 6 Layer 2 Officers, 19 layer 1

officers and 133 non managerial employees (On consolidated pay). Normal promotions were effected during the year 2019-20.

5.2 Grievance Redressal Procedure

Managerial

'Grievance' for the purpose of this scheme relates to work, work place, shift arrangement, grant of increment, promotion, Salary fixation, transfer and any other similar issues relating to an individual managerial personnel.

The officer concerned may bring up his grievance orally to the immediate superior. In the event the grievance is not resolved by this method or no reply is received within 2 weeks, the officer concerned may submit a written petition to the Division Head or CMD, as the case may be, within a period of 6 months. In any event, in case the grievance is arising out of a management order, the same shall be complied with, before this procedure is invoked.

Two Grievance Redressal Committees (GRC) has been constituted, one at the Inter Divisional level to attend to the grievances of Managers up to Asst General Manager level and the other at Corporate level to attend to the grievances of Managers at Deputy General Manager level and above.

Non-Managerial

The grievances are settled in accordance with the provisions of the Industrial Disputes Act.

5.3. Welfare of Minorities

An SC/ST Grievance Cell is functioning at corporate level comprising the Chairman, who is also Chief Liaison Officer for matters pertaining to reservation of SC/ST and their grievances in the Company, Liaison officers of various divisions and two officers each belonging to SC &ST. The grievances received are examined in detail by the Cell and appropriately redressed and if found necessary they are called by the cell to present their cases in person. The employee concerned is informed of the decision/action taken on the grievances by the Grievance cell. Further there are associations representing SC/ST employees and these associations also take up individual grievances of SC/ST employees with the management for direct redressal. The Liaison Officer for SC/ST shall be the Liaison Officer for Person With Disabilities. Company has a Liaison Officer for OBC also.

5.4 Training & Development

The Company offers in-house training as well as external training to its employees.

Details of Internal and external training provided by the company during the year 2018-19 and 2019-20 upto September, 2019 is given below:

Details of Internal Training

| Year | 2018-19 | 2019-20 (April-Oct) |
|-----------------------------------|---------|---------------------|
| Total No. of programmes conducted | 29 | 23 |
| Total participants | 726 | 583 |

External Training offered

| Year | 2018-19 | 2019-20 (April-Oct) |
|---------------------------------|---------|---------------------|
| Total No. of programmes offered | 32 | 19 |
| Total No. of officers trained | 61 | 39 |

Apprenticeship offered

| Sl. No. | Discipline | Financial Year 2018-19 | Financial Year 2019-20 (April-Oct) |
|---------|----------------------|------------------------|------------------------------------|
| 1 | Trade (ITI) | 86 | 79 |
| 2 | Technician (Diploma) | 42 | 42 |
| 3 | Graduate (B.Tech.) | 24 | 22 |
| | Total | 152 | 143 |

Skill Development Programmes

| Sl. No | Particulars | Financial Year 2018 - 19 | Financial Year 2019-20 (April-Oct) |
|--------|--|--------------------------|------------------------------------|
| 1 | 3 months Certificate course on Instrumentation Maintenance & Control | 69 | 0 |
| 2 | 3 months Certificate course on Heavy Equipment Operation | 60 | 31 |
| 3 | 1 year Diploma course in Fire & Safety Engineering | 39 | 40 |

6.0 CSR and Sustained Development

FACT is giving priority to CSR activities to improve the standard of living of people in the vicinity of the Plant Area and the Farming Community. Since the Company is a sick and loss making unit, the Company is not in a position to spend substantial amount for CSR activities. CSR activities of FACT includes supply of drinking water to the

nearby areas of Udyogamandal, where the plants are located, soil testing services to farmers, etc.

7.0 Initiative to Improve the Performance of the Organisation

Company could considerably improve its performance during the last couple of years, but the huge interest burden is having a serious impact on the financials.

Company has submitted a revised financial restructuring proposal to wipe out accumulated losses, clean the balance sheet and bring sustainability in the operations of FACT.

Union Cabinet has accorded approval for sale of 481.79 acres of land to Government of Kerala. The proceeds from Land sale is proposed to be invested in Capex for expansion and modernization. FACT has requested the Government of Kerala to expedite the sale and transfer the amount. The land monetization will also result in improvement in Net worth and reduction in accumulated loss. With the implementation of the proposed expansion plan, the fertilizer production capacity of the company would increase from 8.7 LMT to 13 LMT and the turnover will increase from Rs.2000 crore range to Rs.4500 crore.

8.0 Swachhta Pakhwada

Swachhta Pakwada was observed at all divisions of FACT during August September 2019. Major activities include Swachhta pledge administered at all divisions of FACT, Cleanliness Drive in all divisions with active participation of employees. Hon'ble Minister of State Shri. Mansukh Mandaviya took part in the cleanliness drive and plantation drive on 19-09-2019.



1. Hon'ble Minister of Chemicals and Fertilizers Shri. D.V. Sadananda Gowda along with Hon'ble Minister of State for External Affairs & Parliamentary Affairs Shri. V. Muraleedharan visiting FACT 31-10-2019.



2. Hon'ble Minister of Chemicals Shri. D.V. Sadananda Gowda Fertilizers flagging off the 'Run for Unity' at FACT as part of RashtriyaEktaDiwas31-10-2019



3. Shri. Mansukh Mandaviya, Hon'ble Minister of State for Shipping (Independent Charge) and Chemicals & Fertilisers addressing FACT management team on 19-09-2019



4. Shri. Mansukh Mandaviya, Hon'ble Minister of State for Shipping (Independent Charge) and Chemicals & Fertilisers at the cleanliness Drive at FACT on 19-09-2019

7.3 FCI Aravali Gypsum and Minerals India Limited (FAGMIL)

1. Overview

The FCI Aravali Gypsum and Minerals India Limited was incorporated under the Companies Act, 1956 as a Public Sector Undertaking on 14.02.2003 after being hived off Jodhpur Mining Organisation (JMO) from Fertilizer Corporation of India Ltd. (FCIL). The authorized share capital and paid up share capital of the Company is Rs.30.00 crore as on 31-03-2019.

2. Vision / Mission

2.1 Vision

To become a leader in Mining of strategic minerals including gypsum for reclamation of land, improving the health of the soil with sulphur nutrients, infrastructure development through supply of ROM gypsum to cement industries and producing various types of Fertilizers.

2.2 Mission

The Company's mission is to establish and carry on in India or in any part of the World all kinds of business relating to Gypsum and other minerals and their by-products and manufacture of various types of fertilizers, all organic and inorganic chemical compounds including by products, derivatives and mixtures thereof.

3. Industrial / Business Operations

3.1 Physical Performance

| Product ion | Installed Capacity (MT/Ann um) | 2018-19 Previous Year | | 2019-20 Current Year | | |
|-------------|--------------------------------|-----------------------|--------------------------|--------------------------------|-------------------------------|------------------------------------|
| | | Producti on (MT) | Capacity Utilisation (%) | Production Upto Oct. 2019 (MT) | Projecti ons for 2019-20 (MT) | Projected Capacity Utilization (%) |
| Gypsum | 1110000* | 411844 | 33.62 | 258782 | 629000 | 56.67 |

*1225000 for the year 2018-19

Reason for major deviation in performance if any - Nil

| Marketing | Sales 2018-19 | | Sales Upto Oct.2019 | | Sales Projections 2019-20 | |
|-----------|---------------|-----------------|---------------------|-----------------|---------------------------|-----------------|
| | Qty. (MT) | Amount (Rs.Cr.) | Qty. (MT) | Amount (Rs.Cr.) | Qty. (MT) | Amount (Rs.Cr.) |
| Gypsum | 427364 | 51.16 | 250938 | 21.61 | 629000 | 51.55 |

Reason for major deviation in performance if any - Nil

3.2 Financial Performance

| | For the year 2018-19 | For the period April – Oct.2019 | Projections for 2019-20 |
|--|----------------------|---------------------------------|-------------------------|
| Turnover (Rs.Cr.) | 51.16 | 21.61 | 51.55 |
| Profit before exceptional item and tax (Rs.Cr.) | 29.88 | 13.56 | 27.24 |
| Profit after tax (Rs.Cr.) | 20.49 | 10.15 | 25.75 |

4. Performance Highlights

4.1 Previous Year & Current Year

During the current year 2019-20, upto 31.10.2019, the Company has produced 2.59 lakh MT as against the production of 4.12 lakh MT for the entire previous year, the sales during 2019-20 upto 31.10.2019 were 2.51 lakh MT as against the sales of 4.27 lakh MT for the entire previous year.

During the year 2019-20 upto 31.10.2019, the Company has achieved a turnover of Rs.2160.58 lakh against Rs.5116.11 lakh actual turnover of previous year, the company has achieved Rs.1356.20 lakh as profit before exceptional item and tax as against actual Rs.2987.54 lakh for previous year.

4.2 New Investments / Projects

FAGMIL in its endeavour to diversify its activities has taken following steps:

- (i) To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant.
- (ii) To enter into business of important minerals like Rock Phosphate & Dolomite etc. for which FAGMIL has applied for the prospecting lease and mining lease respectively.

4.3 Revival of sick/weak Units-Status/Action Plan

Not applicable

5. Human Resource Management

5.1.1 Manpower as on 31-10-2019

| Group | Total Employees | Number of employees belonging to | | | | |
|--------------|-----------------|----------------------------------|----|------------|----|-----------|
| | | SC | ST | Ex-Service | PH | OBC |
| A | 22 | 04 | - | - | - | 06 |
| B | 07 | 01 | - | - | - | 01 |
| C | 09 | - | - | - | - | 02 |
| D | 02 | - | - | - | - | - |
| TOTAL | 40 | 05 | - | - | - | 09 |

5.2 Grievances Redressal

Grievance Cell is functional to redress the public and staff grievances and no grievance is pending as on date.

- **For Public grievance-**

Head Office at Jodhpur receives the public grievances, which are redressed by the Grievance Cell. At present, no grievance is pending.

- **For Staff Grievance-**

- a. The employees working in various Mines are advised to submit their grievances through the respective Area Managers to General Manager.

- b. The employees working at Head Office, Jodhpur, route their grievances through Sectional Heads to General Manager.

At present, no grievance is pending.

5.3 Welfare Measures

i. Welfare of Minorities

Nil

ii. Welfare, Development and Empowerment of Women

We are taking due care towards women empowerment. Out of 4 consultants recruited during the year 2019-20, one was a woman.

iii. Welfare of SCs & STs

The company is also implementing various social scheme for the welfare of society and employees under which it provides scholarship, tuition fee and reimburse the cost of study material to the children of employees.

iv. Welfare of PWDs

As of now, the company has no employee with physical disability. However as per extant rules, governing the welfare of PWDs, the compliance is made by the company by reserving post. During 2016-17 one vacant post for PWD was advertised. As of now, there is no Budgetary allocation by the company for any scheme for benefit of PWD.

5.4 Training

| S. No. | Programme | Name | Place | Period | Man days |
|--------|---|---------------|---------|----------|----------|
| 1 | Workshop on “Decreasing of the usage of Single Use Plastic” | All Employees | Jodhpur | 23-09-19 | 32 |

(A) Facilitating training for Make in India/ Start up India/ Skill India-

During the year company has appointed 05 apprentices under The Apprentices Act, 1961.

(B) Procurement through MSME vendor-

Rs. 97.46 lakh in the year 2018-19 is the procurement through MSME Vendor.

6. Corporate Social Responsibility and Sustainable Development (CSR/SD)

As a part of society, the company undertakes socio economic and community development programs to promote education, improvement of living conditions by Self Help Group (SHG) in villages located in the vicinity of the mines. For this the company developed a CSR scheme. In the year 2018-19 company has spent

Rs.75.13 lakh (**previous year CSR Rs.101.12 lakh**) to provide assistance for education, drinking water, community halls, etc. For the year 2019-20, company is making necessary efforts to spend the required amount of Rs.113.60 lakh.

7. Initiatives to improve the performance of the organization Venturing into Other Minerals

With due support of Department of Fertilisers, Ministry of Mines vide notification dated 19th December, 2018 has reserved two (02) blocks of Rock phosphate in the district of Jaisalmer and Banswara and one (01) block of Dolomite in Jodhpur district. FAGMIL has applied for the Prospecting Lease for Rock phosphate in Banswara and Mining Lease for Dolomite in Jodhpur. It is expected that mining of dolomite will start by 15.01.2022 and prospecting activities of Rock phosphate will complete by 31.01.2022.

White Cement Plant

To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant. LoI has been issued by Government of Himachal Pradesh on 27.06.2018. Presently Hon'ble High Court, Himachal Pradesh has granted stay on the project. It is hopeful that the outcome of the legal proceedings will be in the favour of the company and soon the activities to establish the white cement plant will start again.

8. **Swachta Programme**- Responding to the Nation's call by the Prime Minister Narendra Modi, FAGMIL has taken the lead in launching the "Swachhata Pakhwada" at Jodhpur Head Office and Mines locations from 1st -15th September, 2019. The programme was formally initiated on 01.09.2019 at Head Office, Jodhpur with pledge of swacchhta with the officers and workmen at Head Office, Jodhpur at FAGMIL along with the contract labours followed by a lecture by Shri S. S. Shekhawat, General Manager, on cleanliness of environment and enlightened the staff with its place in Indian Social Ethics.

As per the directions received from DoF for the period from 01.09.2019 to 15.09.2019, our company has carried out several activities during the Swachhata Pakhwada and it was celebrated with great enthusiasm. During the Pakhwada all the Mining sites and its premises were examined for cleanliness and importance of sanitation to keep the environment and surroundings healthy. The sanitation campaign is a great success that has inculcated a sense of safety and hygiene in each and every individual of the office campus. Nearby villages, farmers and school children were also sensitized and this has resulted in building up of new generation of soldiers for Clean Indian Campaign.

At the outset, on 5th September, 2019 all the administrative, mining and supporting staff administered the Swachhata pledge to 'not indulge' in littering and to not allow it

to happen.’ Further, all the employees pledged to devote 2 hours per week towards voluntary work for cleanliness and to further propagate the pledge among friends and family.



MOU for the year 2019-20 being exchanged between Secretary (F), Shri Chhabilendra Roul and CMD FAGMIL, Shri Partha Sarthi Sen Sharma



Celebration of Rajbhasha Pakhwara



Celebration of Vigilance Awareness Week

7.4 Fertilizer Corporation Of India Limited (FCIL)

1. Brief Overview of the Organization

Fertilizer Corporation of India Ltd. (FCIL) has five units at Sindri (Jharkhand), Talcher (Odisha), Ramagundam (Telangana), Gorakhpur (U.P.) & Korba (Chhattisgarh). Due to obsolescence of fertilizer technologies, high energy consumption and deficiency of quality & quantity of power, the Company was making losses and eroded its net worth.

Closure of operations of the Units

Government of India (GOI) decided in September 2002, to close operations of FCIL and release all its employees under Voluntary Separation Scheme (VSS). These units have huge infrastructure facilities like sizable land bank, residential quarters and office buildings, railway siding, tied up sources of electricity and water.

Revival of the closed fertilizer units of FCIL

Considering the fully-developed infrastructure available with FCIL and the demand of fertilizer, Government of India in October, 2008, constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options of revival of closed units of FCIL & HFCL.

On the recommendations of ECOS, CCEA approved on 4.8.2011 revival of Gorakhpur & Korba Units through 'bidding route' and Ramagundam, Talcher & Sindri Units by PSUs on 'nomination basis' by providing minimum of 11% equity to FCIL in lieu of land use and infrastructure.

To ensure early revival of the Units, CCEA approved on 9.5.2013 waiver of GoI loan and interest, in order to turn the net worth of FCIL positive. Subsequently, BIFR de-registered FCIL from its purview on 27.6.2013. At present, FCIL has 3 employees on its roll.

Progress of revival of closed Units of the Company

Ramagundam Unit

A Joint Venture Company, namely, Ramagundam Fertilizers & Chemicals Limited has been incorporated by the nominated PSUs, namely, EIL (26% equity), NFL (26% equity) and FCIL(11% equity) to set-up a gas-based fertilizer plant with a capacity of 12.7 lakh MT per annum. RFCL has appointed EIL as EPC Service Provider. Concession Agreement, Lease Agreement & Substitution Agreement have been signed with FCIL. Physical progress of construction at site is around 98.6% as on 15th November 2019. The plant is likely to be commissioned by June 2020.

Talcher Unit

The pre-project activities for revival of Talcher unit (Odisha) by the nominated Public Sector Undertakings (PSUs), namely, RCF, CIL, GAIL and FCIL are in progress to set-up a coal-based fertilizer plant. A Joint Venture Company, namely, Talcher Fertilizers Limited, has been incorporated (TFL). Shell Coal Gasification Technology has been selected for setting up of the plant. LSTK tenders for setting up of Gasification Plant, Ammonia-Urea Plant and Off-site have been issued. Concession Agreement to be signed between FCIL & TFL is under finalization.

Sindri & Gorakhpur Units

Union Cabinet decided on 13.7.2016 to revive Sindri & Gorakhpur Units of FCIL, along Unit of HFCL by a Joint Venture of nominated PSUs, namely, NTPC, CIL & IOCL. FCIL & HFCL would also be Joint Venture partners, who would receive 11% of equity in each of the projects in lieu of land use, usable assets & opportunity cost. Cabinet also constituted an Inter Ministerial Committee (IMC) to oversee the revival process. A Joint Venture company in the name of 'Hindustan Urvarak & Rasayan Limited (HURL)' has been incorporated for the purpose of revival. Construction job has been started by HURL at both the project sites. Concession Agreements as well as Lease Deeds have been signed between FCIL & HURL for Sindri & Gorakhpur Projects. Substitution Agreement for Gorakhpur Unit has been signed amongst FCIL, HURL & Lenders' Representative. Substitution Agreement to be signed for Sindri Project has been approved by IMC.

2. Vision/ Mission

To revive all the closed units of FCIL to achieve self-sufficiency in the availability of domestic urea in the country by setting up 12.7 lakh MTPA of Urea at each of the four closed units, namely, Sindri, Gorakhpur, Ramagundam & Talcher.

3. Financial Performance

| | For the year 2018-19 | For the period April-Dec. 2019 (Estimated) | Projections for 2019-20 (Estimated) |
|------------------------------------|-------------------------|--|---|
| Turnover (Rs. Crore) | 205.69* | 28.52 | 38.03 |
| Profit before tax (Rs. Cr.) | 183.16 | 9.07 | 12.09 |
| Profit after tax (Rs. Cr.) | 164.78 | 6.26 | 8.34 |

* Sale of unusable items of Sindri Unit

4. Performance Highlights

4.1 Previous Year & Current Year: Nil (All units of FCIL are under revival by nominated PSUs)

4.2 New Investments/ Projects: The land & infrastructure of the Units have been put to use by the Joint Ventures of nominated PSUs, who would provide 11% equity to FCIL in lieu of the infrastructure & land being utilized by them.

4.3 Revival of sick/ weak Units – Status/ Action Plan : *Revival details provided under para 1 above.*

5. Human Resource Management

5.1 Manpower – There are only 3 employees on roll as on 1.12.2019

5.2 Grievance redressal – As there are only 3 employees on roll of the Corporation, there is no Grievance Redressal Committee in place.

5.3 Welfare of Minorities – As there are only 3 employees on roll of the Corporation, no Minority Welfare Committee is in place.

5.4 Training – As there are only 3 employees on roll of the Corporation, no Training Programmes have been taken up.

6. CSR & Sustainable Development

Nil. In terms of Sec.198 of Company's Act, 2013, the profitability results of the Company do not attract CSR activity.

7. Initiatives to improve the performance of the organization

All Units of FCIL are under revival by the JVs of nominated PSUs.

7.5 Hindustan Fertilizer Corporation Limited (HFCL)

➤ Brief Overview of the Organization

Hindustan Fertilizer Corporation Ltd. (HFCL) has three units at Barauni, (Bihar), Durgapur and Haldia (West Bengal). Due to obsolescence of fertilizer technologies, high energy consumption and deficiency of quality & quantity of power, the Company was making losses and eroded its net worth.

Closure of operations of the Units

Government of India (GOI) decided in September 2002, to close operations of HFCL and release all its employees under Voluntary Separation Scheme (VSS). These units have huge infrastructure facilities like sizable land bank, residential quarters and office buildings, railway siding, tied up sources of electricity and water.

Revival of the closed fertilizer units of HFCL

Considering the fully-developed infrastructure available with HFCL and the demand of fertilizer, Government of India in October, 2008, constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options of revival of closed units of HFCL & FCIL.

On the recommendations of ECOS, CCEA approved on 4.8.2011 revival of Barauni, Durgapur Units and Haldia Division through bidding route.

To ensure early revival of the Units, CCEA approved on 25/05/2016 waiver of GoI loan and interest, in order to turn the net worth of HFCL positive. Subsequently, BIFR de-registered HFCL from its purview on 12.07.2016. At present, HFCL has 1 (one) employee on its roll.

Progress of revival of closed Units of the Company

Barauni Unit

Union Cabinet decided on 13.7.2016 to revive Barauni Unit along with Sindri & Gorakhpur Units of FCIL, by a Joint Venture of nominated PSUs, namely, NTPC, CIL & IOCL. HFCL & FCIL would also be Joint Venture partners, who would receive 11% of equity in each of the projects in lieu of land use & other available infrastructure. Cabinet also constituted an Inter-Ministerial Committee (IMC) to oversee the revival process. A Joint Venture company in the name of 'Hindustan Urvarak & Rasayan Limited (HURL)' has been incorporated for the purpose of revival. Environment Clearance has been obtained for Barauni Unit of HFCL. HURL has started the revival activities at the project site. Concession Agreements as well as Lease Deeds have been signed between HFCL & HURL for Barauni Project. Finalized Substitution Agreement for Barauni Project is awaiting IMC's approval.

Durgapur and Haldia Units

The revival of Durgapur and Haldia Units would be taken up later.

2. Vision/ Mission

To revive all the closed units of HFCL to achieve self-sufficiency in the availability of domestic urea in the country by setting up 12.7 lakh MTPA of Urea at each of the three closed units, namely, Barauni, Durgapur and Haldia Division.

3. Financial Performance

(Rs./Crore)

| | For the year 2018-19 | For the period April-Dec. 2019 | Projections for 2019-20* |
|-----------------------------|-------------------------|-----------------------------------|-----------------------------|
| Turnover (Rs. Crore) | 133.67* | 9.38 | 12.50 |
| Profit before tax (Rs. Cr.) | 80.38 | 6.38 | 8.50 |
| Profit after tax (Rs. Cr.) | 64.34 | 4.61 | 6.14 |

*Sale of unusable items of Durgapur, Barauni & Haldia.

4. Performance Highlights

4.1 Previous Year & Current Year : Nil (Barauni Unit is under revival through nomination and two other Units are closed.)

4.2 New Investments/ Projects: The land & infrastructure of the Barauni Unit has been put to use by the Joint Ventures of nominated PSUs, who would provide 11% equity to HFCL in lieu of the infrastructure & land being utilized by them.

4.3 Revival of sick/ weak Units – Status/ Action Plan : The revival of Durgapur and Haldia Units would be taken up later.

5. Human Resource Management

5.1 Manpower – There is only 1 employee on roll as on 31.10.2019

5.2 Grievance redressal – *As there is only 1 employee on roll of the Corporation, there is no Grievance Redressal Committee in place.*

5.3 Welfare of Minorities – *As there are only 1 employee on roll of the Corporation, no Minority Welfare Committee is in place.*

5.4 Training– *As there is only 1 employee on roll of the Corporation, no Training Programmes are taken up.*

6. CSR & Sustainable Development

Nil, since Company's average profit for the three preceding years does not attract CSR activity.

7. Initiatives to improve the performance of the organization

Barauni Unit is under revival and urgapur and Haldia Unit's revival will be taken up later.

7.6 Madras Fertilizers Limited (MFL)

1. Brief overview of the Organization

Madras Fertilizers Limited (MFL) was incorporated in December 1966 as a Joint Venture between GOI and AMOCO India Incorporation of USA (AMOCO) with GOI holding 51% of the equity share capital. In the year 1972, NIOC acquired 50% of the AMOCO's share and the shareholding pattern became 51% GOI and 24.5% each of AMOCO and NIOC.

In 1985, AMOCO disinvested their shares, which were purchased by GOI and NIOC in the proportions of their respective shares as on 22.07.1985. The revised share holding pattern was GOI 67.55% and NIOC 32.45%. Subsequent to the Issue of Rights shares in 1994 for part financing of the Project, the shareholding of GOI & NIOC stand at 69.78% and 30.22%.

During 1997, MFL had gone for Public Issue of 2,86,30,000 shares with face value of ₹10 and a premium of ₹ 5 per share. Of these, 2,58,09,700 shares were subscribed. The present Paid up share capital and the shareholding pattern are as follows:

| Shareholder | Paid Up Capital(₹ in Cr) | Share Holding% |
|-------------|--------------------------|----------------|
| GOI | 95.85 | 59.50 |
| NIOC | 41.52 | 25.77 |
| Public | 23.73 | 14.73 |
| Total | 161.10 | 100.00 |

Though the Company has an authorised share capital of ₹ 365 Cr comprising of ₹ 175 Cr as equity and ₹ 190 Cr as preference share capital, the preference share capital is yet to be issued and subscribed. As on date, the paid up equity is ₹ 161.10 Cr.

MFL commenced commercial production in 1971, with an annual installed capacity of 2,47,500 MT of Ammonia, 2,92,050 MT of Urea and 5,40,000 MT of NPK. A major revamp / expansion was carried out in 1998 at a cost of ₹ 601 Cr, enhancing the annual installed capacity to 3,46,500 MT of Ammonia, 4,86,750 MT of Urea and 8,40,000 MT of NPK.

2. Vision / Mission

To become a leader in fertilizer and process industry and in production/marketing of agrochemicals and other eco-friendly products like Biofertilizers/Neem pesticides

through Efficient Operations Quality Products Market Orientation and Dedicated manpower.

Our Five Years Plan

| Year | Plan |
|---------|--|
| 2019-20 | 1.Feed Stock change over to RLNG 2.Trading of DAP, MOP, Liquid Fertilizers and Neem Pesticides. |
| 2020-21 | Energy improvement schemes to achieve energy target of 6.336 Gcal/MT of Urea. |
| 2021-22 | New NPK Train of 3 lac MT capacity with an estimated cost of Rs.150 Cr. |
| 2022-23 | Installation of 20 MW GTG-HRSG (Gas Turbine – Heat recovery Steam generation) for self-dependency on power and steam with lower cost. It will also improve Plant on-stream factor (20 MW captive power Plant). |
| 2023-24 | Automatic shipping and loading of bags. |

3. Industrial / Business Operations (Previous Year & Current year projections)

3.1 Physical Performance (against capacity)

| Production | Installed Capacity (MT/Annum) | 2018-19 (Previous Year) | | 2019-20 (Current Year) | | |
|------------|-------------------------------|-------------------------|--------------------------|--------------------------------|-----------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilization (%) | Production up to Dec 2019 (MT) | Production for 2019-20 (MT) | Projected Capacity Utilization (%) |
| Urea | 4,86,750 | 3,94,300 | 81.0 | 1,25,506 | 3,50,506 | 72.0 |
| NPK | 8,40,000 | 25,160 | 3.0 | 45,465 | 1,33,465 | 15.9 |

Reason for major deviation in performance, if any :

Took shut-down to achieve Feed Stock Conversion of Naphtha to RLNG.

3.2 Financial Performance

| Marketing | For the year 2018-19 | For the Period April –Sep 2019 | Projections for 2019-20 |
|-------------------------------|----------------------|--------------------------------|-------------------------|
| Turnover (Rs.in Cr.) | 1593.00 | 350.51 | 2229.01 |
| Profit before tax (Rs.in Cr.) | (83.24) | (134.02) | 58.55 |
| Profit after tax (Rs.in Cr.) | (83.24) | (134.02) | 58.55 |

4. Performance Highlights

4.1 Previous Year & Current Year

APC(Automatic Process Control) installation for Urea plant DCS is completed and yielded an energy reduction of 0.0266 Gcal/MT and annual saving of Rs.4.14 Cr.

RO Membranes for B &C Streams were renewed and Chemical consumptions reduced.

Current year: (2019-20)

The Secretary, DOF visited MFL on 16.5.2019 for review of preparedness of Feed Stock Conversion change over to RLNG (Photo Enclosed)

Successfully completed the Ammonia plant Feed stock change over from Naphtha to RLNG, and production commenced from 28th of July 2019.

4.2 New Investment / Projects

Carried out during 2019-20 in order to improve the reliability of the sustainable operation of the Plants:

| Sl No | Particulars | Amount [Rs Cr] |
|-------|--|----------------|
| 1 | Urea Reactor 'A' First Liner Replacement | 13.42 |
| 2 | Migration / Replacement Of Fail Safe Control Crimp On Snap In (COSI) Input and Output (IO) to Safety Manager [FSC Blue] Field Terminal Assembly (FTA) IO'S [SIL 3] IN DCS Operation Of Ammonia Plant | 8.49 |
| 3 | Process Air Compressor - Electronic Governor Upgradation From Mechanical Governor | 0.98 |
| 4 | CO2 Compressor Rotor Replacement | 2.97 |
| 5 | Syn. Gas Compressor LP Case Rotor Replacement | 5.00 |
| Total | | 30.86 |

Installation of dedicated RO Plant for treating CW Blow down water and Erection of additional cooling towers (2 Nos) are in progress.

4.3 Revival of Sick / Weak Units – Status / Action Plan

Revival of NPK Plant 'A' Train job completed and production commenced (Photo Attached)

5. Human Resource Management :

5.1 Manpower

| Group | Employees as of 31.10.2019 | Number of Employees belonging to | | | | |
|--------------|----------------------------|----------------------------------|----------|---------------|------------------------|------------|
| | | SC | ST | Ex-Servicemen | Physically Handicapped | OBC |
| A | 254 | 54 | 2 | - | -- | 11 |
| B | 127 | 35 | 3 | - | 4 | 12 |
| C | 198 | 62 | 0 | - | 1 | 106 |
| TOTAL | 579 | 151 | 5 | - | 5 | 129 |

5.2 Grievance redressed

During 2019-20 (Up to October 31, 2019), MFL has received 6 grievance and they were replied.

5.3 Welfare of Minorities

GOI guidelines have been scrupulously followed with regard to inclusion of representative from minorities in selection committee for Recruitment.

5.4 Training

Identification of Training needs

Training needs of an employee is identified by the Appraiser in the format attached to the Annual Performance Appraisal. In addition to the training needs identified in the Performance Appraisal and Training needs are also identified by respective Departments then and there.

Planning of Training program

Based on the consolidated training needs, annual plan of training programs will be drawn. The identified needs of the previous financial year, various In-house and External training programmes are conducted regularly. The employees are nominated for attending Seminars / Workshops /Conference / Symposium organized by professional bodies and industrial associations from time to time. Apprentices are engaged for practical training at Training centre.

Refresher courses are conducted whenever new plant/equipment are added to MFL manufacturing operations, for all concerned employees on operations and maintenance related activities as advised by the Department Heads/Group Heads concerned.

Training the Graduate Engineer Trainees, Technical Assistant Trainees (Production, Mechanical, Electrical, Instrument, Materials) and Lab Analyst Trainees. Periodic evaluation of Trainee performance for absorption as employee.

Details of Training Programs are listed below:

Awareness Training programs: 1. Awareness on Reservation Policies, 2. Energy Awareness, 3. Safety, 4. Retirement Planning and Vigilance Awareness, 5. Circular Economy for Productivity and Sustainability.

Job Oriented Training Programs: 1. Roster writing and Reservation in services, Govt. Policy for SCs, STs, OBCs and Physically Handicapped & Recruitment Rules in Government Departments Autonomous bodies & PSUs, 2. Regional Office OIIS Operation, 3. Workshop on Information Security to MIS and related Officials and Employees were nominated for other 9 External Training in various skills/ seminars.

Behavioural & Human Relations: 1. Creativity, Accountability and Positivity in an Organization.

Evaluation of Training Program

After attending training program, the employees are sending Feedback to the Functional Head for assessment and improvement in future training. With regard to the Technical Training Program, a Training Impact Evaluation Form, wherever necessary, are filled up by the immediate supervisor of the employee/trainees who attended the training program after six months and based on the Training Impact Form, it will be decided whether further training program is required or not.

During the year 2018-19, 284 employees were provided training under 9 internal programs and 9 external programs. This year, we planned for 12 internal programs and external programs as and when required. Till now 408 employees were trained through 8 internal program and 14 external programs in various field.

6. CSR & Sustainable Development

Rs. In Lakhs

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------|--|-------------------------------------|--|--|---|---|--|
| Sl NO | CSR Project or activity identified | Sector in which the Project covered | Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) Project or program wise | Amount spent on the projects or programs sub-heads : (1) Direct Expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent : Direct or through implementing agency |
| 1 | Donation of food materials for flood affected public in Nilgiris District | - | Ayyankoli Village, Nilgiris District | - | - | - | 1.61 |
| 2 | Armed Forces Flag Day Fund | - | Tiruvottriyur Taluk | - | - | - | 1.00 |
| 3 | Supply of Potable water through pipelines to Harikrishnapuram Village (Near 500 families) | - | Near Manali, Chennai | Rs.5.43 lakhs per annum | Rs.3.17 lacs (Apr – Oct' 19) | Rs.3.17 lacs (Apr – Oct' 19) | Rs.3.17 lacs (Apr – Oct' 19) |
| 4 | Supply of school bags & kits to students of Govt School at Mathur for National Unity Day Celebrations (PHOTO ENCLOSED) | - | Near Manali, Chennai | - | - | - | 1.20 |
| Total | | | | | | | 6.98 |

7. Initiatives to improve the performance of the Organization

- 1) Feed Stock Conversion from Naphtha to RLNG.
- 2) Replacement of high energy steam turbine to low energy motor drive compressor.
- 3) Revival of NPK 'A' Train thereby achieving additional NPK quantity of 2 LMT which will fetch Rs.40 Cr. to the Company additionally.

7.7 National Fertilizers Limited

1. Brief overview of the Organization

NFL which is presently a Schedule 'A' & a Mini Ratna (Category-I) Company was incorporated on 23rd August 1974 and has its Corporate Office at Noida. It has an authorized capital of Rs. 1000 crore and a paid up capital of Rs. 490.58 crore out of which Government of India's share is 74.71 % and 25.29 % is held by financial institutions & others.

NFL has five gas based Ammonia-Urea plants viz. Nangal & Bathinda plants in Punjab, Panipat plant in Haryana and two plants at Vijaipur at District Guna, in Madhya Pradesh. The company currently has a total annual installed capacity of 35.68 LMT & is the 2nd largest producer of Urea in the country with a share of about 16% of total Urea production in the country.

Besides Manufacturing of Urea, the company also produces four strains of Bio-Fertilizers, Bentonite Sulphur (a value added product to address the deficiency of sulphur *in soil*), various Industrial chemicals like Nitric Acid, Ammonium Nitrate, Sodium Nitrate & Nitrite and Certified Seeds under its flagship Seeds Multiplication Program.

Apart from manufacturing, NFL is also in to trading of various agro products such as imported Fertilizers, Certified Seeds, Agro Chemicals, City Compost, Water Soluble Fertilizers etc.

The company is now a multi-product company with Pan India presence under the brand name popularly known in the market as 'KISAN'.

2. Mission/ Vision

The **mission** is to be a dynamic organization committed to serving the farming community and other customers to their satisfaction through timely supply of fertilizers and other products & services, continually striving to achieve the highest standards in quality, safety, ethics, professionalism and energy conservation with a concern for ecology and maximizing the returns to stakeholders.

The **vision** of the company is to be a leading Indian company in fertilizers and beyond with commitment to all stakeholders.

3. Industrial / Business Operations (Previous year & Current year projections)

3.1 Physical Performance

i. **Production Performance**

| Production | UM | Installed Capacity per year | 2018-19 | | 2019-20 | | |
|-----------------------------------|------|-----------------------------|------------|--|-----------------------------------|------------------------|--|
| | | | Production | Capacity Utilization w.r.t Re-Assessed / Installed Capacity (C.U)% | Actual production up to Oct. 2019 | Projection for 2019-20 | Projected C.U (%) w.r.t Re-Assessed / Installed Capacity |
| Urea | LMT | 35.68* | 38.59 | 119.44 | 20.56 | 36.96 | 114.39 |
| Bio-Fertilizers | MT | 650 | 592 | 91.07 | 470 | 650 | 100.00 |
| Bentonite Sulphur | MT | 25000 | 8567 | 34.40 | 6718 | 12500 | 50.00 |
| Nitric Acid | MT | 91400# | 81053 | 88.68 | 43993 | 81770 | 89.46 |
| Ammonium Nitrate (AN) | MT | 118800## | 12920 | 10.88 | 4140 | 13000 | 10.94 |
| Sodium Nitrate | MT | 1980 | 1147 | 57.93 | 655 | 1200 | 60.61 |
| Sodium Nitrite | MT | 2970 | 2083 | 70.13 | 1253 | 1800 | 60.61 |
| Certified Seeds(Qtls.)- Under SMP | Qtls | - | 124878 | - | - | 204057 | - |

* Reassessed Capacity: 32.31 LMT. Installed capacity increased to 35.68 LMT after completion of Capacity Enhancement Projects at Vijaipur-I &II during 2012-13.

Installed Capacity of 182800 MT for two streams, however presently only one stream is in operation

Installed Capacity 237600 MT for two streams, however presently only one stream is in operation.

ii. **Sales performance**

| Marketing / Sale | Sales during 2018-19 | Actual Sales (Apr. – Oct. 19) | Sales projections for 2019-20 |
|------------------------|----------------------|-------------------------------|-------------------------------|
| Own Urea (LMT) | 38.98 | 20.12 | 36.96 |
| Bio-Fertilizers (MT) | 631 | 353 | 650 |
| Bentonite Sulphur (MT) | 6746 | 3462 | 12500 |
| Nitric Acid (MT) | 70606 | 39490 | 71000 |

| Marketing / Sale | Sales during 2018-19 | Actual Sales (Apr. – Oct. 19) | Sales projections for 2019-20 |
|-----------------------------------|----------------------|-------------------------------|-------------------------------|
| Ammonium Nitrate (MT) | 12929 | 4135 | 13000 |
| Sodium Nitrate (MT) | 1137 | 533 | 3000 |
| Sodium Nitrite (MT) | 1851 | 603 | |
| Imported Fertilizers (LMT) | | | |
| DAP | 5.04 | 3.93 | 8.00 |
| MoP | - | 0.33 | 1.30 |
| NPK + APS | 0.94 | 0.58 | 1.00 |
| Total | 5.98 | 4.84 | 10.30 |
| Urea Govt. A/c (LMT) | 3.71 | 5.97 | 12.00 |
| SSP (MT) | - | 6323 | 25000 |
| Compost(MT) | 21315 | 10656 | 25000 |
| Water Soluble Fertilizers (MT) | - | 180 | 270 |
| Calcium Nitrate (MT) | - | - | 216 |
| Seeds (Quintals) | | | |
| Domestic Trading | 11457 | 3847 | 15960 |
| Own Seeds under SMP | 61096 | 2462 | 124878 |
| Agro Chemicals (Kg/ Ltr.) | 640533 | 222735 | 1000000 |

3.2 Financial Performance

| Item | For the year 2018-19 | For the period April – Sept. 2019 | Projections 2019-20 |
|----------------------------------|----------------------|-----------------------------------|---------------------|
| Revenue from operations(` Crore) | 12245 | 6209 | 13640 |
| Profit before Tax (` Crore) | 463 | (73.32) | 104 |
| Profit after Tax (` Crore) | 298 | (39.43) | 78 |

4. Performance Highlights

4.1 Previous year vis-a-vis Current year

Ever best achievements during Current Year 2018-19

- ✓ Production of Urea: 38.59 LMT [Previous best: 38.10 LMT in 2017-18]
- ✓ Import of DAP/ MOP/APS/ NPK/Urea (Govt. Account): 13.90 LMT [Previous best 4.59 LMT in 2017-18]
- ✓ Sale of DAP/MOP/APS/NPK/Urea (Govt. a/c Imported): 9.69 LMT [Previous best 3.81 LMT in 2017-18].
- ✓ Sale of Compost of 0.21 LMT [Previous best 0.12 LMT during 2017-18]
- ✓ Sale of all fertilizers: 48.95 LMT [Previous best 43.09 LMT during 2017-18]

- ✓ Revenue from operation ` 12245.24 crore. [CPLY to ` 8954.36 crore]
- ✓ EBITDA of ` 880.87 crore (`597.70 crore during CPLY)
- ✓ PBT of ` 463.37 crore.
- ✓ Ever lowest energy consumption at Nangal, Panipat & Bathinda units.
- ✓ PAT of ` 298.45 crore (CPLY ` 212.77 crore)
- ✓ EPS of ` 6.08/- (share of ` 10 each) (CPLY ` 4.34/-).

Actual achievement during 2019-20 (April - October 2019)

- ✓ 20.56 LMT of own Urea produced at plants.
- ✓ 6718 MT of Bentonite Sulphur produced at Panipat Unit.
- ✓ 467 MT of Bio-Fertilizers (4 Strains) produced at Vijaipur Unit
- ✓ Sale of fertilizers of 31.13 LMT (includes 20.12 LMT of own Urea, 5.97 LMT of imported Urea in Govt. A/c and 5.04 LMT of non-Urea Fertilizers).
- ✓ Produced & sold Industrial Products to the tune of 50041 MT & 46456 MT.

4.2 New Investments / Projects

Under implementation / Envisaged

a) Revival of Ramagundam plant through Joint Venture (JV) Company, M/s RFCL:

A JV company in collaboration with M/s EIL and M/s FCIL formed to revive the old FCIL plant at Ramagundam in the state of Telangana at a revised estimated cost of Rs. 6121 crore (Revised cost) and annual Urea capacity of 12.71 LMT. The equity participation in this joint venture is 26% each by M/s NFL & M/s EIL and 11% of M/s FCIL & others 37% (Govt. of Telangana-11%, M/s GAIL- 14.3% and HT Ramagundam-3.90%, Danish Agribusiness fund- 3.90% and IFU- 3.90%).

The zero date of the project was 25-09-2015 and was scheduled to be completed within 36 months from the zero date. As on 31-10-2019, physical progress of the project was 98.5% against of 100%. At present, project is delayed by around 18 months. Delay is primarily due to time taken by EIL to float tenders after finalization of equipment specifications & commercial conditions, delay in execution of Gas pipeline by GITL and delay in water / power connectivity by Govt. of Telangana. Monitoring at various levels including Department of Fertilizer is being carried out to avoid further delay and early completion of the project. Project is now expected to be commissioned by March 2020.

- b) Implementation of Integrated Energy reduction schemes at Panipat, Bathinda & Nangal under NUP-2015 with estimated cost of Rs. 675 crore.
- c) Energy reduction schemes at Vijaipur I and II Units with estimated cost of Rs. 235 crore.
- d) Agrochemical plant at Bathinda Unit for production of farm insecticides.

- e) Seed Processing Unit at Panipat, Bathinda & Indore (20000 quintals/ Annum for each Unit).
- f) Setting up of NABL accredited laboratories at Panipat & Vijaipur.
- g) Revival of 2ndStream of Nitric Acid plant at Nangal.
- h) Urea revamp at Panipat and Bathinda Units.

4.3 Revival of sick / Weak Units- Status / Action plan

As mentioned above, NFL is already reviving closed Urea plant of FCIL at Ramagundam through Joint venture entity viz. Ramagundam Fertilizers & Chemicals Limited (RFCL) which is likely to be commissioned by March 2020.

5. Human Resource Management

5.1 Manpower

Manpower as on 31-10-2019

| Group | Total number of Employees | Number of SC/ST/OBC/EXSM/PH | | | | |
|------------------------|---------------------------|-----------------------------|------------|------------|-----------|-----------|
| | | SC | ST | OBC | EXSM* | PH** |
| A | 1488 | 291 | 82 | 178 | 1 | 5 |
| B (Officers) | 158 | 34 | 14 | 10 | 0 | 2 |
| B (Workers) | 1084 | 301 | 64 | 92 | 7 | 8 |
| C | 550 | 94 | 37 | 161 | 11 | 25 |
| D | 28 | 13 | 1 | 3 | 0 | 0 |
| D (Safai Sewaks) | 45 | 45 | 0 | 0 | 0 | 0 |
| Total | 3353 | 778 | 198 | 444 | 19 | 40 |

* EXSM – Ex- Servicemen ** PH – Physically Handicapped

5.2 Grievance redressal

A “Grievance Redressal Cell’ for employees is functional at NFL, Corporate Office & at all the Units. During 2018-19, 33 grievances were received & resolved. For registration of grievances through online mode, every client / customer can upload their grievances through CPGRAMS at <http://pgportal.gov.in> or can give their feedback online in our feedback section at NFL website www.nationalfertilizers.com.

5.3 Welfare of Minorities

- ✓ All the employees at Units celebrated the festivals of various communities with brotherhood.
- ✓ NFL believes in equality of all communities and follows all Govt. regulations on empowerment of minorities such as representation of the minority communities on interview board.

5.4 Training

- ✓ Various training programmes (in-house as well as external) on contemporary subjects.
- ✓ During 2018-19, 12591 man-days training were imparted to employees and 866 man-days training imparted to women employees, 3.67 man-days training to each employee.
- ✓ For year 2019-20, man-days target is 3 man-days per employee. Till date, 30 & 26 external programmes have been organized for corporate office & Units employees.

6. CSR & Sustainable Development

Corporate Social Responsibility

During the year 2018-19, the Company incurred an expenditure of `2.29 crore towards various CSR activities such as Construction of Toilets / Bio-toilets in Girls Schools under “Swachh Bharat Abhiyan”, Construction of Anganwadi Centers, Distribution of desks and ceiling fans in Government Schools, Installation of Solar lights/Rooftop Solar power plants in villages, Construction of Swatchata Griha at Grishneshwar Temple, Aurangabad, Vocational training/ Skill development programmes, Distribution of artificial limbs and aids to persons of special ability, Medical Camps, Rejuvenation of existing ponds, Contribution to Armed Forces Flag Day etc.

Company has also taken up CSR activities in the Aspirational districts, particularly in Mewat (Haryana) and Guna (Madhya Pradesh).

Sustainability Development

- ✓ The company has a full-fledged sustainable development policy to have a consistent & controlled approach on this front.
- ✓ Afforestation has been adopted in all units to improve the environment. A total of about 14660 nos. of tree saplings were planted during 2018-19.
- ✓ Company was earlier producing three strains of Bio fertilizers in both powder and liquid base i.e. Rhizobium, Azectobactor and PSB. However Company has now introduced a fourth strain Zinc Solubilizing Bacteria (ZSB).
- ✓ During 2018-19 about 23845 conventional lights were replaced with eco-friendly LED lights in NFL units.
- ✓ To ensure affordable, reliable, sustainable and modern energy for the community, solar street lights have been installed in nearby villages of all NFL Units.
- ✓ Vijaipur Unit of NFL produces compost from the bio-degradable waste and is being used as environment friendly manure with in the unit premises in horticulture.

7. Initiatives taken to improve the performance of the organization

- ✓ Port handling of Urea imported in Govt. account.
- ✓ Trading of new molecules of Agrochemicals.
- ✓ Import & sale of Water Soluble Fertilizers and Calcium Nitrate.
- ✓ Production & sale of Zinc Solubilizing Bacteria based Bio-fertilizers.

- ✓ 4thMarketing Zonal office opened at Hyderabad to look after marketing of NFL's products in southern part of the country.
- ✓ MoU signed with BVFCL for sale of Urea in Assam & other North East regions thereby making the company, a Pan India company.
- ✓ Exploring sale of Bio-pesticides.
- ✓ Registered Indian Council for Fertilizers and Fertilizer Technology Research (ICFFTR) as a society for undertaking R&D / Innovations in fertilizer sector in collaboration with other fertilizer companies.
- ✓ Action is under way to engage Implementation Partner for implementation of ERP at NFL.
- ✓ Proposal submitted for grant of Navratna status to NFL.
- ✓ Rationalization / Recruitment of manpower to mitigate risk due to attrition of manpower owing to massive retirements

Photographs depicting major events / activities of the Plants/Company



Shri Manoj Mishra, C&MD extending best wishes to Hon'ble Minister of Chemicals & Fertilizers, Shri D. V. Sadananda Gowda on taking over the charge of the Ministry.



Shri Manoj Mishra, C&MD presenting Interim Dividend of `39.95 Crore for the year 2018-19 to the Hon'ble Minister of Chemicals & Fertilizers, Shri D. V. Sadananda Gowda in the presence of Secretary (Fertilizers), Shri Chhabilendra Roul, NFL Directors and senior officials of Department of Fertilizers.



Shri Manoj Mishra, C&MD felicitating Hon'ble Minister of State for Chemicals & Fertilizers and Shipping (Independent Charge) Shri Mansukh Lal Mandaviya for his second stint in the cabinet.



Shri Manoj Mishra, C&MD, NFL exchanging MoU documents with Shri Chhabilendra Roul, Secretary (Fertilizers) after signing MoU for the year 2019-20.



Shri Manoj Mishra, C&MD presenting the cheque of `1.50 crore to Hon'ble Chief Minister of Assam, Shri Sarbananda Sonowal towards the Chief Minister's Relief Fund for flood relief.



MoU signed with Central Warehousing Corporation (CWC) to construct seeds processing units at Indore, Bathinda & Panipat. The agreement was signed in the presence of Shri Manoj Mishra, C&MD, Shri V N Datt, Director (Marketing), Shri S. C. Mudgericar, Director (Marketing), CWC.



Shri Chhabilendra Roul, Secretary (Fertilizers) addressing the gathering on the occasion of NFL's 46th Foundation Day Celebrations on 23rd August, 2019 in New Delhi.



NFL Constructed Swachhta Griha at Grishneshwar temple, Aurangabad under CSR.



NFL Distributed Artificial Limbs & devices to Divyangjan under CSR.



NFL organized skill training program for youth through ATDC under CSR



Under CSR, Free Health Checkup Camp organized in Guna by NFL Vijaipur unit.

7.8 Projects & Development India Ltd. (PDIL)

1 Overview

Projects & Development India Ltd. (PDIL) is an ISO 9001:2015 & OHSAS 18001:2007 Certified as well as ISO/IEC 17020: 2012 Accredited and a Mini Ratna, Category-1 Govt. of India Undertaking under Department of Fertilizers, Ministry of Chemicals and Fertilizers. PDIL is a premier Consultancy & Engineering Organization which has played pivotal role in the growth of Indian Fertilizer Industry.

With over six decades of experience, PDIL

- *provides Design, Engineering & related project execution services from Concept to Commissioning in the Fertilizer sector;*
- *provides services in other sectors like Oil & Gas, Refinery, Chemicals, Infrastructure, Offsite and Utilities;*
- *is an approved Third Party Inspection agency and undertakes works of Third Party Inspection and Non-Destructive Testing (NDT).*

The authorized Share Capital of the company is Rs. 60 crore and Paid up Capital is Rs. 17.30 crore as on 31.03.2019.

2 Vision/Mission

Vision

To be a leading Engineering and Project Management Consultancy organization

Mission

- *To create and deliver integrated techno-commercial solution optimum in cost, quality and time to all customers.*

- To pursue relentlessly world class quality in engineering consultancy and project management by imbibing best practices.
- To develop, upgrade and improve the manufacturing process of Catalyst and other products in line with the ever evolving need of customers.

3 Industrial /Business Operations

| Production | Installed Capacity (MT/ Annum) | 2018-19 (Previous Year) | | 2019-20 (Current year) | | |
|-----------------------|--------------------------------|-------------------------|--------------------------|----------------------------------|-----------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilization (%) | Production up to Sep.' 2019 (MT) | Production for 2019-20 (MT) | Projected Capacity utilization (%) |
| H.T Catalyst | 360 | 5 | 1.39% | - | - | - |
| Nickel based Catalyst | 300 | - | - | - | - | - |
| LT Catalyst | 600 | 133 | 22.17% | - | - | - |
| | | | | | | |

4. Reasons for major deviation in performance, if any The Production is shown as Nil in 2019-20 due to handing over of Catalyst Plant to FCIL in compliance of MoU dated 06.09.17 signed between PDIL and FCIL as per decision of DoF.

5. Catalyst Sale

(in MT)

| Marketing | Sales during 2018-19 | Sales upto September 2019 | Sales Projections for 2019-20 |
|-------------------------|----------------------|---------------------------|-------------------------------|
| H.T. Co. Conv. Catalyst | - | - | - |
| Nickel based Catalyst | - | - | - |
| LT Co. Conv. Catalyst | 159 | - | - |

6. Reasons for major deviation in performance, if any – The Catalyst Sale is shown as Nil in 2019-20 due to handing over of Catalyst Plant to FCIL in compliance of MoU dated 06.09.17 signed between PDIL and FCIL as per decision of DoF.

7. Financial Performance

Rs in Crore

| Parameter | For the year 2018-19 | For the period April to September 2019 | Projection 2019-20 (RE) |
|-------------------------|----------------------|--|-------------------------|
| Turnover | 131.50 | 53.13 | 147.06 |
| Profit Before Tax (PBT) | 37.22 | 8.49 | 45.89 |
| Profit After Tax (PAT) | 30.36 | 6.02 | 32.53 |

Current Year – The estimated Turnover for 2019-20 has been projected to increase by 11.83% over previous year. The PBT has also been estimated to increase by 23.29% over 2018-19.

8. Performance Highlights

Services Offered

Pre-Project Services

Market Demand Study Reports, Techno-Economic Feasibility Studies, Detailed Project Reports, Site Selection, Risk Analysis, EIA Studies, etc.

Project Services

- a) ***Project Implementation Services - Engineering, Procurement & Construction Management (EPCM) Services - Design, Detailed Engineering, Procurement Assistance, Warehouse Management, Inspection & Expediting, Project Management, Construction Supervision, Commissioning and Performance Guarantee Tests.***
- b) ***Project Management Consultancy (PMC) Services***
- c) ***Lump sum Turnkey (LSTK) Projects***

Other Specialized Services

Revamp/ Retrofit/ De-bottlenecking Studies, Health Study & End-to-End Survey, Environmental Engineering, Energy Audit/ Safety Audit, PDS-3 D Piping Model, Process Simulation and Optimization, Hazop Study, Due Diligence Assignments, etc.

Third Party Inspection and Non Destructive Testing (NDT) Services including Project & Third Party Inspection (Shop & Field Inspection) and NDT Services for plants in various industrial sectors.

9. Projects Executed / Under Execution

- 7.8.4.2.1 PDIL has been playing a pivotal role in the development of Fertilizer Industry in India. It is ready to take up new challenges in executing the Brown field, Green field, Revamp and Expansion Projects of many fertilizer units in the country.

Fertilizer Sector

During the financial year, the Consultancy Services for the revival of closed units of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation Ltd.(HFCL) at Gorakhpur (Uttar Pradesh), Barauni (Bihar), Sindri (Jharkhand) and Talcher (Odisha) through the Joint Venture Companies viz. Hindustan Urvarak Rasayan Ltd. (HURL) and Talcher Fertilizers Ltd. (TFL)

picked up momentum with PDIL, being a prime engineering consultant in fertilizer sector, providing technical expertise as per requirement.

In addition to above, PDIL secured several other jobs including energy saving projects from various clients.

Projects ongoing / completed during the year (Domestic Projects):

Under Execution:

- Consultancy Services including PMC for gas based 2200 MTPD Ammonia and 3850 MTPD Urea Fertilizer Projects at Gorakhpur, Barauni and Sindri for HURL, New Delhi
- Consultancy services for Coal Gasification based Ammonia-Urea Fertilizer Project at Talcher for TFL, Noida
- Detailed Engineering services, Procurement Assistance and Site Supervision Services for Ammonia-V & Urea-V Revamp project at Trombay for Rashtriya Chemicals & Fertilizers Ltd. (RCF)
- Consultancy services for Ammonia-Urea revamp project for Zuari Agro Chemicals Ltd. (ZACL), Goa
- PMC (Pre & post LSTK Award) Services for Energy Reduction scheme at Panipat, Bathinda & Nangal units of National Fertilizers Ltd (NFL).
- Preparation of DFR, PMC Services for LSTK Contract (Post Award), Consultancy Services for Balance items on EPCM basis for GT-HRSG Project at RCF-Thal & Trombay and GT-PAC-HRSG Project at RCF-Thal.
- Consultancy Services for Ammonia Plant Feed Stock Changeover for Madras Fertilizers Ltd(MFL), Chennai

Projects ongoing / completed during the year (Foreign Projects) :-

- EPCM Services for Single Super Phosphate (SSP) plant in Kokand Valley, Uzbekistan for M/s Indorama Kokand Fertilizers LLC, Republic of Uzbekistan (Ongoing)
- EPCM Services for setting up an additional Concentration Line for Phosphoric Acid Concentration at JIFCO, Jordan (Completed)

Refinery, Oil & Gas and Other Sectors

PDIL has exhibited its strong presence in the non-fertilizer sector as well by way of securing several orders for Refinery and Oil & Gas projects.

Projects ongoing during the year:

- EPCM Services for POL (Petroleum Oil Lubricant) Terminals of IOCL at Atchutapuram (Andhra Pradesh), Malkapuram (Telangana), Asanur (Tamil Nadu) and Motihari (Bihar).
- EPCM Services for LPG Terminal of IOCL at Paradip (Odisha) and PMC Services for LPG Terminal of Adani Group at Mundra (Gujarat)

- EPCM Services for LPG Bottling Plants of IOCL at Salem (Tamil Nadu), Agartala (Tripura), Goindwala Sahib (Punjab), Nagpur (Maharashtra), Mananpur (M.P.) and Maneri (M.P.)
- EPCM Services for LPG Mounded Bullets of IOCL at Guwahati (Assam), NRL at Numaligarh (Assam) and PMC Services for LPG Mounded Bullets of ONGC at Hazira & Uran
- PMC Services for Crude Oil Storage Tanks of ONGC (Oil & Natural Gas Corporation) at Gopavaram, Kesanapalli & Malleswaram
- EPCM Services for POL Depots of HPCL at Sagar & Gwalior (Madhya Pradesh) and IOCL at Doimukh (Arunachal Pradesh)
- Detailed Engineering Consultancy Services for Medium Pressure Gas Compressors at GGS (Gas Gathering Station) of ONGC at Demulgaon, Assam Asset
- DFR Preparation (Phase-I) and EPCM services (Phase-II) for setting up of catalyst plant at Panipat Refinery for IOCL, New Delhi
- EPCM Services for Conversion of Baitalpur Depot to ToP (Petroleum Storage Terminal) at Patna Baitalpur Pipeline at Baitalpur (U.P.) for IOCL, Mumbai
- Design & Engineering for various works at installations of ONGC at Ankleshwar Asset
- Consultancy for LPG Augmentation Projects at Aurangabad and Kondapalli for HPCL, Mumbai
- Consultancy Services for NG/RLNG pipeline from PLL to OPaL for M/s ONGC Petro additions Limited, Vadodara (OPaL)
- Consultancy Services for Transmix Separator Plant at Mohanpura, Jaipur for IOCL, Noida.
- Engineering Consultancy Services for Basic Engineering, Design, Preparation of Design Basis Report and Detailed Project Report for Setting up (a) Single Stream, (b) Twin Stream Hybrid Technology based HWP at existing / new location for M/s Heavy Water Board, Mumbai.
- Engineering Consultancy Services for Jabalpur and Raipur LPG Plant Augmentation Projects of HPCL

Chemicals

PDIL has undertaken many projects in Chemical Sector such as Methanol, Hydrogen, Methyl Amines, Sulphuric Acid, Phosphoric Acid, Nitric Acid, Sodium Nitrite/Nitrate, Ammonium Nitrate and Ammonium Bi-Carbonate. PDIL has provided Consultancy Services to GAIL for GSU & GPU modification job at Pata, Detailed Engineering Services to GSFC, Vadodara for Methanol Plant, Basic Design Engineering for Ammonium Sulphate Plant & Ammonia Liquor Treatment Plant of Rourkela Steel Plant at Rourkela for Shriram EPC. PDIL has also rendered Project Management Services for setting up a Sulphur Bentonite Plant at NFL, Panipat.

Presently, PDIL is rendering Pre-Project and Pre-Award Services for setting up of Coal to Methanol Project through Coal Gasification route at Dankuni Coal Complex for Coal India Limited.

Infrastructure Sector

PDIL has established credentials in Infrastructure Sector also and has provided PMC Services/ Review Consultancy Services for Housing project of the Ministry of Defence.

Offsite and Utilities

PDIL has executed many Offsites and Utilities packages on Turnkey / EPCM basis for a number of clients. These packages include DM Water Plants, Effluent Treatment Plants, Captive Power Plants, Material handling Plants, Atmospheric Ammonia Storage and Handling facilities. Recently, PDIL has rendered Detailed Engineering services for offsites / utilities of an Expansion Project at Port Harcourt, Nigeria for M/s Indorama Eleme Petrochemicals Ltd, Nigeria. Presently, PDIL is rendering PMC Services for Non-LSTK Packages and EPCM Services for Non-Packages of Offsites & Utilities for Gorakhpur, Sindri and Barauni Projects of HURL.

Pharma Sector

Presently, PDIL is rendering PMC Services to Deptt. of Pharmaceuticals, Govt. of India, for Cluster Development Programme for Pharma Sector.

10. Other Sectors: Heavy Water Plant

PDIL is presently working on an assignment of providing Engineering Services Consultancy for Basic engineering and preparation of DBR and DPR for setting up A) Single stream & B) Twin Stream Hybrid Technology Based HWP at existing / new location for M/s Heavy Water Board, Mumbai

11. Third Party Inspection & NDT Services

PDIL has firmly established its credentials as a Third Party Inspection (TPI) and Non-Destructive Testing (NDT) Agency. Statutory inspection, testing and certification of LPG / Ammonia Horton Spheres, Mounded LPG Bullets, Inspection & Re-commissioning of Ammonia Storage Tanks and Health Assessment of Reformer Tubes by Automatic Ultrasonic Scanning (AUS) continued to be the specialized activities of PDIL.

Major Oil & Gas companies such as IOCL, BPCL, HPCL, ONGC, and GAIL etc. continued to repose confidence in PDIL by awarding inspection and NDT jobs to PDIL.

During the year, PDIL received a prestigious order from IOCL HO, Mumbai, for consultancy services for All India implementation of automation related to

IntelliGreen Plant concept at identified 74 existing LPG locations. Another major order received from IOCL NRO is for consultancy services for upgradation of Terminal automation System & allied services for three locations i.e. Lucknow, Kanpur & Jhansi under UPSO-I. IOCL HO also engaged PDIL as an Engineering Consultant to study the documents and prepare tender specifications for iSECURE system consisting of ACS_VMS_GTPM at all LPG Bottling Plants of IOCL. Another job awarded by IOCL was for consultancy services for design, engineering and site visits for automation work at Mangalore Terminal under Karnataka State Office.

Apart from above, other jobs awarded by IOCL include:

- Electrical Consultancy services for installation of Vacuum Circuit Breaker (VCB) at Gonda Depot.
- Inspection of Flexible Intermediate Bulk Containers (FIBC) Bags for supply to their PTA Plant at Panipat.
- Third Party Inspection Services for construction of Mounded Type Pressure Vessels and Fire Water Tanks at IOCL's LPG Bottling Plants at Ajmer, Aligarh and Kashipur.
- Third Party Inspection of indigenous Electrical items ordered by M/s IOCL (Pipelines Division) across the country.
- Electrical Safety Audit of IOCL's LPG Bottling Plants at Farrukhabad, Jaipur, Bhopal, Haridwar, Etawah, Aligarh, Vashi, Kashipur, Guna, Ujjain, Lakhimpur Kheri, and Shahjahanpur; Oil Depot at Gonda; Oil Terminals at Sidhpur and Rewari; Lube Oil Blending Plants at Silvassa, Taloja and Asaoti; Grease Plant at Vashi, Office Buildings at New Delhi, Mumbai and residential building at Sidhpur and Jaipur.

Electrical audit of office buildings / oil installations is a safety concept. It is an exercise to foresee and predict the error prone zones in the electrical system or equipment, which may creep in during operations, maintenance of the electrical system in the building. An electrical audit identifies and analyses problems/deficiencies which may creep in the equipment/system while running the system for a long period. An audit report, thus made taking care of all such factors and making specific recommendations, serves as a check list for the purpose of implementation of recommendation and eradication of all susceptible short-comings to the extent of improving safety in the Electrical System. It has been observed that due to periodical Electrical Safety Audit in oil sector, awareness towards electrical hazard among working staff has improved a lot and this has improved electrical system of plants and terminals and minimized breakdown due to electrical faults.

- Inspection of Solar Power Plants being installed at IOCL's various LPG Bottling Plants and oil installations.
- Residual Life Assessment of electrical equipments installed at IOCL's various Oil Depots and Terminals.
- Audit of earthing system at IOCL's various Oil Depots and Terminals.

On the basis of credential and satisfactory performance, Power Grid Corporation of India Limited (PGCIL), Bhubaneswar, awarded additional job for Third Party Quality

Inspection of village electrification works in the districts of Bhadrak, Balasore & Mayurbhanj in the State of Odisha under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12th Plan.

Similarly, satisfied with our TPI services, Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), Varanasi, and Odisha Power Transmission Corporation Limited (OPTCL), Bhubaneswar, have extended the validity of their Work Order for another one year. Telangana State Southern Power Distribution Company Limited (TSSPDCL), Hyderabad, have also awarded us the job for pre-dispatch inspection of material being procured by them.

More TPI jobs in the power sector were received during the year from M/s South Bihar Power Distribution Company Limited, Patna; North Bihar Power Distribution Company Limited, Patna; and Himachal Pradesh State Electricity Board Limited, Shimla for TPI of materials being procured by them.

In NDT, PDIL has been awarded the job of carrying out inspection and recommissioning of 1 No. 5000 MT Atmospheric Ammonia Storage Tank at Kandla Unit of IFFCO.

M/s Shriram Vinyl & Chemical Industries, Kota, awarded the job of Inspection of 4 No. Acetylene Generators installed at their Kota Carbide Plant.

M/s G.R. Engineering Pvt. Ltd., Mumbai, availed our services for inspection of 3 No. LPG Mounded Bullets of 4500 m³ capacity at ONGC, Uran Plant.

Hindustan Organic Chemicals Limited (HOCL), Ambalamugal (Kochi), entrusted us with the job of Statutory Inspection of Horton Spheres and Propylene Bullets at their Ambalamugal Plant.

In the specialized field of Automated Ultrasonic Scanning of Reformer Tubes, we were awarded the AUS jobs by IOCL, Haldia Refinery, and IFFCO Aonla Unit. GAIL (India) Limited also availed our AUS services for Health Check-up of GCU Furnace Coils at GAIL, Pata.

12. Techno-Economic Feasibility / Detailed Project Report

One of the major activities of PDIL continued to be preparation of Pre-Feasibility Report (PFR)/ Techno-Economic Feasibility Report (TEFR)/ Detailed Feasibility Report (DFR)/ Detailed Project Report (DPR).

During Financial Year under review, PDIL has bagged the following assignments pertaining to preparation of Feasibility Reports:

- ✓ DFR for production of Methanol through Coal Gasification route at Dankuni Coal complex for M/s Coal India Ltd.
- ✓ DFR for Coal to Methanol Project at Talcher for M/s Talcher Fertilizers Ltd.
- ✓ TEFR for setting up of DAP / NPK plant at Bathinda for NFL

- ✓ Bankable Feasibility Report for setting up of 1,00,000 MTPA Iso Propyl Alcohol Complex at Taloja, Maharashtra for M/s DFPCL, Mumbai
- ✓ Feasibility study for Capacity Enhancement of Urea plant from 6 LMTPA to 6.75 LMTPA for M/s IFFCO, Kalol

The following TEFR/DFR were prepared during the financial year under review:-

- (I) TEFR for setting-up of DAP/NPK plant through JV route with HMEL at Bhatinda for NFL, Noida.
- (II) DFR for NPK plant at Krishnapathnam for M/s KRIBHCO.
- (III) TEFR for Petcoke Gasification based Ammonia Project at Paradeep for IOCL.
- (IV) DFR for proposed GT-HRSG project at RCF Thal.
- (V) TEFR on Implementation of Energy Reduction Scheme at NFL Vijaipur-I & II, Madhya Pradesh.
- (VI) Report on Physical/Mechanical completion of CFCL-3 Gadepan Plant for Department of Fertilizers (DOF).

13. Technical Audit-SSP Plants

PDIL continues its engagement by Department of Fertilizer (DoF) for providing services of Audit of SSP/ DAP plants related to:-

- (i) Rock evaluation of SSP product
- (ii) Determination of P₂O₅ content in SSP/DAP product

14. New Projects

Following new Projects/Services are expected to be received/provided in the current year:

- EPCM / PMC Services for Ammonia-Urea plant at Namrup (Namrup-IV) for M/s Brahmaputra Valley Fertilizer Corporation Limited, Namrup
- EPCM / PMC Services for upcoming Ammonia/Urea/other Projects abroad likely in Algeria / Nigeria / Oman / Saudi Arabia / Gabon, etc
- Consultancy Services for Methanol Projects in India
- Consultancy Services for Revamp / Expansion/ residue up-gradation projects of refinery clients like IOCL, BPCL, and HPCL etc.

15. In house strengths of PDIL

IT & Other Infrastructure Facilities

Various locations of PDIL are connected through secured Virtual Private Network (VPN) to access data & application. The VPN and internet facility has been upgraded from Radio Frequency (RF) Technology to latest optical fiber technology with higher connectivity speed which is more reliable and efficient.

To provide secure channel to critical application over internet, VPN client has been installed for remote users.

The engineering departments are using latest version of Software like Aspen plus, Synergee, PHA-Pro, Primavera, AutoCAD, Micro-station, Staad-Pro, Caesar, PV-Elite, MicroProtol, ETAP. SP3D software is being used for modeling simulation. AFT Fathom and AFT Fathom software have been added to Process Engineering software list. Additional licenses of Primavera have been procured.

The PDIL Intranet site has been redesigned with new look and serves as a central repository of information.

The servers running critical application and enterprise software for mail, Spam and security management has already been upgraded. The present server uses virtualization technology. The file storage capacity has been augmented to accommodate growing enterprise data.

The upgrade of network backbone along with cabling work to upgrade to CAT6A has been completed.

PDIL has procured 150 nos. of latest specification desktops and 7 Large format multi function printers and color laser jet printers for replacement of existing desktops and printers.

PDIL is committed to keep its manpower abreast with latest technology and software through training and up-gradation. The engineering team is equipped with availability of latest technology and tools to ensure efficient handling of business challenges.

16. ERP Project

With implementation of SAP ERP, PDIL has been able to integrate its activities on a single platform.

17. DMS Project

PDIL has implemented “Documentum” of EMC² as its Electronic Document Management System. It helps PDIL to preserve all its documents in electronic form.

18. Human Resources

Manpower

The category wise details of employees as on 31.03.2019 is as follows:-

| EMPLOYEE STRENGTH AS ON 31.03.2019 (REGULAR INCLUDING MANAGEMENT TRAINEES) | | | | |
|---|------------------|-----------|-----------|------------|
| Category | Total MIP | SC | ST | OBC |

| | | | | |
|-------|-----|-----|-----|-----|
| A | 303 | 44 | 17 | 64 |
| B | 21 | 5 | 1 | 5 |
| C | 5 | 1 | 0 | 0 |
| D | Nil | Nil | Nil | Nil |
| Total | 329 | 50 | 18 | 69 |

19. Grievance Redressal

In PDIL, Grievance Cell has been set up in the offices of the Unit Heads of the respective unit i.e. Noida, Vadodara and Sindri. A box for grievance has been put up in the respective Unit premises for Public which is being opened regularly by the Grievance Redressal Machinery. As on date there is no grievance is pending with PDIL. Grievances Redressal Mechanism has also been displayed in our website.

20. Welfare of Minorities

Due care is being taken of minorities candidates at the time of recruitment in line with Govt. Guidelines issued from time to time.

21. Training

PDIL has identified training as an integral tool for skill and personality development for the officers & employees of the company at all locations across all levels. Training was also arranged on soft skills by inviting well known professionals from leading management academy & business centers. In addition to in-house training, employees were also nominated from time to time for attending external Training/ Workshop and Seminar.

22. CSR & Sustainable Development

The CSR activities of PDIL have been pursued as per the guidelines laid down by the Government. The CSR policy reflects the company's commitment to operate in an economically, socially and environmentally sustainable manner by undertaking CSR projects towards education of under privileged children, health awareness and upliftment of physically challenged persons.

PDIL has undertaken CSR activities towards funding the construction of for seven (07) toilets and a security post in a new hostel building being constructed for the development of hundred (100) under privileged children in a remote village. A medical camp was organized wherein free general health check-up was conducted and 108 villagers benefitted from free medical consultation and distribution of medicines. Support to ten (10) physically challenged persons was also provided by distributing tricycles.

Projects valued Rs. 4.1 lakhs were approved under the CSR budget during the year 2018-19. All the CSR projects have been completed and the sanctioned amount disbursed.

23. Initiatives to improve the overall performance of the organization:

Following initiatives have been taken by PDIL to improve the overall performance of the organization:

- i) Efforts made for improvement of the business position
 - Bid for Post-LSTK Award PMC Services for Talcher Project submitted and Order is expected shortly.
 - Recently, PDIL has been awarded Engineering Consultancy job for SSP Project at Fergana Valley Uzbekistan from M/s Indorama Investments Ltd.
 - Strategic bidding is being continued to secure more business in the non-fertilizer sector (to eliminate dependency on investment in fertilizer sector only). As a result, PDIL has secured large orders worth ~ Rs 14 Crore up to October' 2019.
- ii) Making continuous efforts to execute the awarded projects as per prescribed timelines
- iii) Trying to control the Expenditure wherever possible without affecting revenue generation of the company (Unit level and Corporate Level committees are in place to monitor the expenditure)
- iv) Encouraging paperless working within PDIL as well as with the clients/ vendors/ contractors etc.
- v) Efforts are being made towards recovery of payments in time



Prilling Tower: HURL Gorakhpur



HURL Gorakhpur : Aerial View



Hydrotreater and Desulphuriser under erection :
HURL Gorakhpur



Prilling Tower (under Construction) :HURL Barauni



Ammonia Cooling Tower (Under Construction): HURL Barauni



Primary Reformer (under Construction) : HURL Barauni



Prilling Tower (under Construction) : HURL Sindri



UG PIPE LAYING UREA PLANT AREA: HURL SINDRI

7.9 Rashtriya Chemicals and Fertilizers Limited (RCF)

1. Brief Overview of the Organization:

Rashtriya Chemicals and Fertilizers Limited (RCF) was incorporated as a separate company on 6th March 1978 as a result of reorganization of the erstwhile Fertilizer Corporation of India Limited (FCI). The company has an authorized share capital of Rs.800 Crore and a subscribed and paid up capital of Rs.551.69 Crore. Government holding in the company stands at 75%. At the time of its inception, Company had only one unit at Trombay. In 1985, another unit of RCF was established at Thal-which is about 100 KM from Trombay. RCF is having several products in its portfolio such as Urea, Complex Fertilizers, Bio-fertilizer, Micro Nutrients, 100% Water soluble fertilizers and an array of Industrial chemicals.

2. Vision and Mission of the Company:

Vision:

To be a world class corporate in the field of fertilizers and chemicals with dominant position in Indian market, ensuring optimal utilization of resources, taking due care of environment and maximizing value of stakeholders.

Mission:

Exponential growth through business excellence with focus on maximizing stakeholder value by manufacturing and selling fertilizers and chemicals in a reliable, ethical and socially responsible manner.

3. Industrial/ Business Operations (Previous Year & Current year projections)

3.1 Physical Performance:

(ACTUALS FOR 2018-19 & ANTICIPATED FOR 2019-20)

NITROGEN:

| Plant | Units | Installed Capacity | Actual Prod. for 2018-19 | Actual Prod. Upto Oct. 2019 | Projected for 2019-20 |
|---------------------|----------|--------------------|--------------------------|-----------------------------|-----------------------|
| Complex | | | | | |
| Production | ‘000 MT | 117 | 84.19 | 49.90 | 85.80 |
| Cap Utilizn | % | | 71.96%* | 42.64%* | 73.33%* |
| Trombay Urea | | | | | |
| Production | ‘000 MT | 152 | 180.30 | 71.46 | 161.46 |
| Cap Utilizn | % | | 118.78% | 47.08% | 106.36% |
| Thal Urea | | | | | |
| Production | ‘000 MT | 920 | 912.41 | 537.41 | 947.60 |
| Cap Utilizn | % | | 99.18% | 58.41% | 103.00% |
| RCF Total | | | | | |
| Production | ‘ 000 MT | 1189 | 1176.91 | 658.77 | 1194.86 |
| Cap Utilizn | % | | 99.00% | 55.41% | 100.51% |

* Low capacity utilization is due to shutdown of ANP (Suphala 20:20:0) plant on account of adverse market conditions & economic unviability.

PHOSPHATE (P₂O₅):

| Plant | Units | Installed Capacity | Actual Prod. for 2018-19 | Actual Prod. Upto Oct. 2019 | Projected for 2019-20 |
|----------------|----------|--------------------|--------------------------|-----------------------------|-----------------------|
| Complex | | | | | |
| Production | ‘ 000 MT | 117.00 | 84.19 | 49.90 | 85.80 |
| Cap Utilizn | % | | 71.96%* | 42.65 %* | 73.33%* |

* Low capacity utilization is due to shutdown of ANP (Suphala 20:20:0) plant on account of adverse market conditions & economic unviability.

POTASH:

| Plant | Units | Installed Capacity | Actual Prod. for 2018-19 | Actual Prod. Upto Oct. 2019 | Projected for 2019-20 |
|----------------|----------|--------------------|--------------------------|-----------------------------|-----------------------|
| Complex | | | | | |
| Production | ‘ 000 MT | 63.00 | 84.19 | 49.90 | 85.80 |
| Cap Utilizn | % | | 133.64% | 79.20% | 136.19% |

Production:

- The annual installed capacity of all the units of RCF is about 11.89 lakh MT of Nitrogen and 1.17 lakh MT of Phosphate (as P₂O₅) and 0.63 lakh MT of Potash (as K₂O). The production of Nitrogen, Phosphate and Potash during 2018-19 was, 11.769 lakh MT, 0.842 lakh MT and 0.842 lakh MT respectively.
- During April-October 2019, RCF produced 6.59 lakh MT of Nitrogen as against 6.90 lakh MT during the same period of the previous year. Company also produced 0.50 lakh MT of Phosphate (as P₂O₅) & 0.50 lakh MT of Potash during the period from April to October 2019 which is almost same to the last year's production for the same period. During the year 2019-20, the Company is likely to produce 11.95 lakh MT of Nitrogen, 0.86 lakh MT of Phosphate and 0.86 lakh MT of Potash.
- Besides fertilizers, the company also produces a number of industrial products such as Methanol, Concentrated Nitric Acid, Ammonium Bicarbonate, Dimethyl Acetamide, Ammonium Nitrate, Methyl Amines, Argon, etc.

Sales:

- During the period April-October 2019, RCF sold around 19.259 lakh MT of Fertilizers corresponding to 6.95 lakh MT of Nitrogen, 1.24 lakh MT of Phosphate and 1.07 lakh MT of Potash.

- The sale of fertilizers (including bought-out products) from April to October 2018 was approximately 17.88 lakh MT corresponding to 7.13 lakh MT of Nitrogen, 0.59 lakh MT of phosphate (as P₂O₅) and 0.52Lakh MT of Potash.
- The Company also produces Bio-fertilizers, Micronutrients and 100% Water Soluble fertilizers. It has laid special emphasis on Micronutrients and Bio-fertilizers. Sale of Bio-fertilizer branded as Biola was 54.6 Kilo Lit during the period April-October 2019. Sale of Microla was 165.52 Kilo Lit during April-October 2019. A total of 2738.33 MT of the specialty fertilizer called Sujala (Drip + Foliar variant) was sold during the period April-October 2019.198.375 MT of imported water soluble fertilizer (12:61:0) was sold during the period April-October 2019

3.2 Financial Performance:

| | For the year 2018-19 | For the period April to June 2019* | Projection for 2019-20 |
|----------------------------|-------------------------|--|---------------------------|
| Turnover (Rs. Crore) | 8885.47 | 2409.48 | 9717.19 |
| Profit before Tax (Rs. Cr) | 235.25 | 11.18 | 112.88 |
| Profit after tax (Rs. Cr) | 139.17 | 8.13 | 74.83 |

As the Financials for the period April 2019 to September 2019 is under finalization/adoption. The data for the period Apr- Jun 2019 is given.

4 Performance Highlights:

4.1 Previous Year & Current Year:

Projects completed:

Commissioning of Sewage Treatment Plant (STP) at Trombay:

Water supply situation in Mumbai is getting more and more difficult day by day. Ensuring water availability has become critical for the smooth functioning of the Trombay unit. Recognizing this, Company has set up one more new Sewage Treatment Plant (STP) adjacent to the existing STP with a capacity to treat 22.75 Million Litres per Day (MLD) of Municipal Sewage to produce about 15 MLD of treated water. A portion of the treated water is supplied to M/s Bharat Petroleum Corporation Ltd. (BPCL), on mutually agreed terms. This plant will reduce fresh water intake of RCF and BPCL by 15-MLD making it available to the residents of Mumbai. The plant has been successfully commissioned on 10th Sept 2019

Award Won:

RCF receives the “31st CFBP-Jamanalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices for the year 2018 in the category of Manufacturing Enterprises –Large.



RCF receives award for excellent implementation of Rajbhasha Hindi at workplace.



RCF Thal Unit was conferred with “ICC Energy Excellence Award 2018” for excellence in Energy Conservation & Management by Indian Chemical Council



RCF Trombay Unit receives “Greentech Environment Award -2019” for outstanding achievement in Environment Management.



RCF Thal Unit has been bestowed “National Safety Council, Maharashtra Award 2018” for ‘Lowest Accident Frequency Rate’ & ‘Longest Accident Free



4.2 New investment/projects

A. Projects under execution

- **Gas Turbine Generator (50 MW) at Trombay:** With an aim to reduce the specific energy consumption in Ammonia and Urea Plants at Trombay, RCF is installing Gas Generator Turbines (GTG) at RCF, Trombay of 2 x 25 MW capacity with 2 x 65 TPH Heat Recovery Steam Generation (HRSG) unit. The total power required by the unit is currently supplied by TATA power and steam required to the complex is generated in the gas fired boilers. Work order for the project is placed on M/s Thermax for implementing the project on LSTK basis. Basic Engineering activities are in progress. Expected Energy Saving is 0.30 Gcal/MT of Urea. Estimated Project Capital Cost: Rs. 426.72 Crore with expected completion period is April 2020
- **Trombay Urea-V Plant Revamp - Casale Scheme:** Revamp of Urea V plant through M/s Casale SA, Switzerland is undertaken to achieve production to the tune of 1350 MTPD on sustained basis with reduction in energy consumption.

The revamp scheme is envisaged to result in energy saving of 0.19 Gcal/MT of Urea. Estimated project capital cost is about Rs.137.03 Crore. The schemes in Casale Revamp are partly implemented in May 2019 and remaining schemes are expected to be completed by April 2020

- **Ammonia – V Revamp KBR Scheme at Trombay Unit:** Ammonia-V plant revamp (KBR scheme) includes replacement of heat exchangers in convection zone, drive turbine retrofitting of Synthesis Gas Compressor (SGC), ID Fan and provision of Ammonia dehydrator in synthesis section. The expected Energy saving after implementation of scheme is 0.25 GCal/ MT of Ammonia. Revised Estimated Project Capital Cost is Rs.72.75 Crore. The schemes are partly implemented in May 2019 and the remaining schemes are expected to be completed by Oct 2021.
- **New motor driven ARC compressor:** Replacement of ammonia refrigeration compressor with motor driven compressor in Thal Ammonia plant. It is part of already implemented GTG-HRSG project. Expected energy saving is around 0.05 Gcal/MT of Urea energy. Completion by March2020
- Replacement of P-1 pump Torque Convertors with VFD in Thal Urea plant is expected to give energy saving of 0.012 Gcal/MT & expected to be completed by Feb 2020

4.3 Revival of sick/weak Units-Status /Action Plan

- **Talcher Fertilizers Limited:** Under the scheme of revival of sick Fertilizer Units, RCF has been nominated by the Department of Fertilizers to be one of the three partners to revive Fertilizer Corporation of India (FCI) Unit at Talcher, Orissa through Coal Gasification route as the feedstock. RCF along with Coal India Limited (CIL), GAIL (India) Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), is contemplating to set up a fertilizer complex, comprising of 2200 MTPD Ammonia plant and 3850 MTPD Urea plant, at FCIL, Talcher, Odisha based on coal gasification technology.

The project is of strategic importance for the country as it aims to make breakthrough for an alternative source of feedstock in the form of abundantly available coal from domestic sources in place of natural gas. Success of this project is expected to be a game changer and shall pave a way forward to the production of chemicals and fertilizers from abundantly available coal resulting in less dependency on RLNG imports. It will also help in meeting much needed Urea production capacity for the eastern part of the Country.

Contracts for Coal Gasification and Ammonia-Urea awarded to M/s Wuhuan Engineering Co. Ltd on 11th September and 19th September 2019 respectively. Project is scheduled for commissioning by September-2023.

The estimated Project Capital cost is Rs.13,277 Crore. RCF's share of equity is Rs.1,184 Crore (31.85%) in the said venture.

- **Revival of Brahmaputra Valley Fertilizer Corporation Ltd (BVFCL) – Namrup Unit:** DoF has nominated NFL and RCF along with Oil India Ltd., Govt. of Assam and BVFCL in joint venture for revival of Namrup unit of Brahmaputra Valley Fertilizer Corporation Limited. The proposed project entails setting up a Urea plant with an annual capacity of 1.27 Million MT. The estimated Project Cost is about Rs.7,600

Crore. The feasibility study for the project is being carried out by PDIL. The equity share of RCF is estimated to be Rs.388 Crore (17%).

5 Human resources Management:

5.1 Manpower: No of Employees as on 1st October 2019:

| Group | Total as on 01.10.2019 | SC | ST | OBC | PWBD | Ex-Servicemen | Minority |
|--------------|------------------------|------------|------------|------------|-----------|---------------|------------|
| A | 1421 | 237 | 68 | 178 | 13 | 0 | 81 |
| B | 883 | 108 | 87 | 74 | 3 | 0 | 48 |
| C | 624 | 92 | 60 | 144 | 21 | 3 | 43 |
| D | 28 | 4 | 3 | 15 | 1 | 0 | 3 |
| Total | 2956 | 441 | 218 | 411 | 38 | 3 | 175 |

Employment of SC/ST, Ex-service Men, Persons with Benchmark Disabilities & other Backward Classes:

The guidelines regarding reservation in Recruitment and Promotion for SC, ST, OBC, Ex-Servicemen and Persons with Benchmark Disabilities (PWBD) are strictly followed. Out of total strength of 2,956 there are 441 SC, 218 ST, 411 OBC, 3 Ex-Servicemen and 38 PWBD on the rolls of Company.

5.2 Grievance redressed

- A Grievance Redressal System online/offline is developed by the Company in issues related to staff. A statutory Grievance Redressal Committee has been formed containing equal representatives of Management and Workmen for redressing the grievances of Workman. For the public grievances, the company has initiated “Online Grievance Registration system” on the company’s Website. Any aggrieved citizen can approach the Company through a number dedicated for the grievance registration in HR Department which is 25522020.
- **SC/ST Grievance Cell:** All reserved category employees can anytime seek help/advice of Liaison Officers for resolving their grievances. A register is maintained for registering grievances of SC/ST employees by Liaison officers. The grievances are resolved expeditiously. The Grievance redressal cell of the company takes care of grievances of all employees including employees of SC/ST category. SC/ST employees can also register their grievance in a register maintained under grievance handling procedure for all employees.
- **Sexual Harassment Cell:** RCF has constituted Internal Complaint Committee (RCF ICC) as per Section 21(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaint Committee investigates all the complaints of sexual Harassment received from female/male at workplace directly or through Management and submits its report to the Management. The Cell submits its Annual Report to the Concerned Authority as per the provisions of

Sexual Harassment at Workplace Act, 2013. A declaration as required under the Act is also included in the Annual Report of the Company.

5.3 Welfare of Minorities

Welfare Measures:

- Implementation of the National policy for Persons with Disabilities (PWD). Financial allocation for various programmes and progress achieved in the programmes:
- RCF takes due care to implement the policies regarding people with disabilities. A Reservation Roster is maintained for PWD as per the rules in this regard. A separate Liaison Officer has been appointed for implementation of the policy for PWD.
- ***Welfare of Minorities and Reservation in Dealership:*** RCF as a policy includes representative of the Minorities in the Recruitment Selection Boards to ensure that the Minorities get adequate share in the services.
- ***Efforts and initiatives taken for the Welfare, Development and Empowerment of Women and for mainstreaming gender issues.***
- Opportunities for growth, training, challenging jobs, learning are equally available to both men and women employees of RCF. Women represent in fair numbers in the batch of Apprentice/Operator Trainees in technical areas.
- Women are working in technical / non-technical / managerial positions and some of them have risen to the level of top management positions in the organization. Welfare and employee benefit schemes are equally applicable to male and female employees of RCF.
- RCF is the pioneer in issuing 'Policy on Zero Tolerance to Sexual Harassment at Workplace and 'Policy on Gender Equality'. Internal Complaint Committee (ICC) has been formed in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Gist of the Committee's Report is published in Company's Annual Report.
- All the benefits in accordance with the legal requirements such as Maternity Benefits, Nursing Breaks, etc. are given to women employees. Special Medical check-ups/camps for ladies are conducted. In addition to this, Maternity Leave has been extended upto 180 days, leave for miscarriage or medical termination of pregnancy is allowed upto 45 days. Child Adoption leave to female employee is allowed upto 90 days.
- RCF is one of the pioneer members in the Forum of Women in Public Sector (WIPS) since its inception (1990). It is a corporate member of this forum and has been representing in all activities of the forum with total support and participation in all activities.
- To strengthen this initiative, the company has its Gender Equality Policy and Gender Budget has been provided for the activity of Gender Mainstreaming.

5.4 Training

- Training programs are organized regularly for imparting knowledge about plant operation, plant processes and maintenance, safety aspects for Diploma/B.Sc. students. Various skill development initiatives of RCF are as follows:
- **NSDC courses:** RCF has been certified as an Authorized Training Provider and also received Certificate of Membership from Sector Skill Council, Instrumentation Automation Sector Skill Council (IASC) nominated by NSDC under Skill India Mission for conducting two courses Industrial Automation Specialist and Instrumentation Technician Control Valve. Three batches of Instrumentation Technician Control Valve and one batch of Industrial Automation Specialist have been conducted so far since April 2019 till date.
- **Fire Fighter Course:** RCF has been affiliated as Vocational Training Institute for imparting training for the “Fire Fighter” course by Maharashtra State Council of Vocational Training (MSCVT). The model curriculum for the course “Fire Fighter” is approved by Management, Entrepreneurship and Professional Skills Council (MEPSC) Sector, NSDC under MSDE. The course is of 4 month's duration.
- **Apprentices Training:** As per Act Apprentice Act, apprentices are engaged regularly and provided apprenticeship in structured training format. For newly recruited apprentices at the operator/technician, supervisory and junior executive level rigorous training is given. Almost all the manpower needed for the organization is met by recruiting fresh persons and subjecting them to pass through this training phase. As on date, RCF has engaged 248 apprentices i.e. upto 5% of total strength in technical as well as non-technical trades since April 2019 till date.
- **Adoption of local ITI to develop plant specific training module:** Two weeks development training module was conducted for 32 Attendance Operator Chemical Plant (AOCP) and Mechanical Maintenance Chemical Plant (MMCP) trade students from Government ITI Ambernath last year in September 2018. This year, the program is scheduled from 11th -16th November 2019 for 55 students.
- **Short Term Skill Development Programs:** RCF has signed MoUs with various professional institutes and academic institutes for providing industry training during their summer and winter vacations for 15 days/ 1 month or more. Academic Institutes send their students for these training programs. This training provides them exposure to industrial working environment and also gives them a direction as to how to study further in their curriculum. RCF has conducted 10 short term training programs for 343 students since April 2019 till date.

- **Industrial training:** Industrial training of 1 -2 months is provided to students undergoing graduation/ under graduation which enhances their knowledge of industrial working and processes. RCF has provided vocational training to 491 students since April 2019 till date.
- **On the job training:** The graduated engineers are provided with three months of on the job training in the plants of RCF. This kind of training gives the students an exposure to the industrial working environment and also strengthens their technical knowledge and skills in their domain by working with the plant persons. At the end of the training, they are provided with a certificate which helps them in their career. RCF has provided on the job training to 17 students since April 2019 till date.
- **RPL 4.0:** In compliance to CPSE Conclave NewIndiaVision2022, % of certified skill holders of RCF employees through RPL4 has increased from 0 % in 2018 to 34.88% in 2019. Even senior officials obtained the certificate. RCF is the first PSU to implement RPL4 amongst CPSU.
- **Supervisory Development Program by Board of Apprenticeship Training (BOAT-WR):** “Supervisory Development Program” was organized by RCF& Board of Apprenticeship Training (WR) for 95 Apprentices from RCF, HPCL &BPCL from 8th to May 10, 2019 at RCF Training Center to increase their employ-ability.
- **Program on artificial Intelligence for RCF Employees:** RCF makes every effort to update its employees about latest technology. A session on Artificial Intelligence (AI) was arranged for the employees to deliberate the applications of AI in manufacturing industry.
- **Vendor Development & MSE meet:** With an aim to support Start up India , Make In India drive of Government of India training program are organized for Entrepreneurship development. Vendor Development & MSE meet is organized for Micro and Small Enterprises.

6 **CSR &Sustainable Development:**

As part of its initiatives under “Corporate Social Responsibility”, Rashtriya Chemicals & Fertilizers Ltd (RCF) has undertaken several projects in the areas of rural development, promoting health care and education aimed for the benefit of needy and for general good of the society. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR policy. RCF has spent Rs.3.88 Crore on CSR activities in the year 2018-19. The activities, in brief, are as under:

- **Scholarship to SC/ST students:** RCF offers scholarships to school students of SC / ST/ OBC communities for pursuing studies.

- **Supply of drinking water to nearby villages:** RCF has been providing drinking water for last 23 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit. More than 15,700 residents of the villages got benefit of the scheme.
- **Community Medical Facility- Running of Mobile Medical Van:** RCF in collaboration with Wockhardt Foundation, runs mobile medical van at Thal, Alibaug and Chembur, Mumbai area. Total three such medical vans (one at Chembur and two at Thal) were running during 2018-19. At Thal, on an average seven villages are covered in weekly cycles by a Mobile van and patients are benefitted from free medical services including supply of medicines. The Medical Van is accompanied with one MBBS doctor and one assistant. One medical van attends approximately 25,000 patients per annum.
- **Rural Sports:** RCF has supplied sports material and organised district level Adivasi Kabbadi Tournament wherein more than 1000 Tribals participated.
- **Livelihood enhancement projects:** RCF has also supplied paddy, fruit saplings and free fertilizers to needy villagers near Thal.
- **Aspirational District (Osmanabad):** Government of India issued Guidelines to utilize CSR funds in a focused manner towards national priorities. Company has selected “Osmanabad” as Aspirational district for utilizing CSR fund for this year’s theme of “School Education and Health Care”. Under this, RCF has set “Mini Science Centers” in 40 Zilha Parishad Schools and medical Equipment’s are supplied to Civil Hospital of Osmanabad
- **Farmer Knowledge Centers:** RCF has two Farmers Knowledge Centers one at Nagpur (Maharashtra) and the other one at Thal (district Raigad, Maharashtra). Experts from Regional Agricultural Universities are regularly invited to give guidance to the farmers. Special programs designed for women farmers and the Scheduled Caste and Scheduled Tribes are also organized on a regular basis so that they too join the bandwagon of the country’s agricultural renaissance.

In addition to the existing Agriculture Knowledge Programs which RCF conducts in its Two Knowledge centers, Agriculture Knowledge programs are organized in association with Krishi Vigyan Kendras(KVK) on Pan-India level.

- **Krishi Melas and Exhibitions:** Krishi Melas are organized in areas where major crops and cash crops are cultivated. Literatures about the crops and fertilizer products, their use in the field etc., are distributed during Krishi Melas. Agricultural Exhibitions are organized at block /district level especially during fairs/rural events considering the crops grown in the area with advanced and new package of practices.
- **Soil Testing Services:** RCF is having the ten Static and six Mobile Soil Testing Laboratories located Pan-India. As a commitment to the Indian farming community, RCF analyses Soil Samples free of cost. RCF’s NPK & Micronutrients soil samples analyzing capacity is around 1,18,000 Soil samples. Soil Testing Days are normally organized in the fields of the farmers where demonstrations are conducted during soil

sample collection or fertilizer application. Subjects related to agriculture such as soil sample collection technique, balanced use of fertilizers, crop protection etc., are discussed.

Soil samples are analyzed for N-P-K and Micronutrient content. After soil analysis, the Soil Health Card is issued.

- **Meeting with Farmers:** To disseminate the correct and advanced agricultural technology to the farming community, the farmers meetings are regularly organized by the company at the village level. The crop and product literature is distributed to them on these occasions. Information about government policies, use of fertilizer products for different crops is shared in these meetings.
- **Kisan suvidha Kendra:** To give good agricultural services through agriculture experts to the farming community, RCF has established 150 Kisan Suvidha Kendras –Pan – India. These “Kisan Suvidha Kendra” are established in association with RCF’s dealers. These centers help in empowering the farmers by acting as a collection point for soil, seed samples & handing over the Soil Health Card, give advisory services on Crop Cultivation Technology, weather report and provide many other such services.
- **Education through Social Media:** RCF has initiated a Facebook page, YouTube Channel, Twitter & Instagram Account under the name “RCF Kisan Manch”. Through this social media channel, RCF is creating awareness about the new agricultural Technologies, information of Various Agriculture crops, medicinal plants & health related topics. RCF has also developed mobile application (APP) named “RCF Kisan Manch”. The mobile application is available in Marathi and English language.
- **Live Field Demonstrations:** In order to educate the farmers on the scientific farming practices, demonstrations are organized on the fields of the farmers. During these Demonstrations farmers are educated for disseminating the correct and advanced agricultural technology, advantages of balanced usage of fertilizer & importance of soil analysis practice etc.
- **Kisan Care Toll-Free call facility (1800-22-3044):** RCF runs a customer care no. (022 – 2552 3044) & toll free helpline service called as RCF Kisan Care no. (1800-22-3044) to help farmers. Information regarding use of fertilizers, soil testing, crops, cultivation practices of different crops, Variety, pest, disease, weed control, weather report, dealership, subscription of RCF Sheti Patrika etc. is given to the farmers. RCF has offered this service mainly to the farming community of Maharashtra. But it is observed that the calls have spilled over from the boarder districts of Karnataka, Telangana & Goa. On an average RCF receives 80 calls per day.
- **RCF Sheti-Patrika (Monthly Farmer knowledge magazine in Marathi):** Monthly farm magazine “RCF Sheti Patrika” is published for farming community of Maharashtra. All the latest & current topics in Agriculture are covered in Sheti Patrika. The contents include latest information about cultural practices of crops, balanced use of fertilizers, importance of medicinal plants, vegetables & floriculture etc. At present RCF is Printing & Distributing 60,000 copies/month on complimentary basis to the farmers.

- **Crop Literatures:** Over 3 lakh brochures/leaflets are distributed annually to disseminate product information and details about product usage-dosage, time/method of application etc., to farmers. RCF is also printing Farmer's Guide in different languages for free distribution pan-India free of cost.

7 Initiatives to improve the performance of the organization.

“HR Aapke Dwar” Drive: This is an initiative by the HR Department. In this a team of HR personnel visits different plants / departments in the organization to interact with employees. This is an effective communication medium where one-to-one interaction of the employee takes place with HR Team.

Issues related to work place, personal grievances, HR, Administration, medical etc. are discussed. Also information on various new initiatives, prevalent guidelines are deliberated and doubts if any are clarified.

This also helps in developing informal atmosphere at the work areas, which helps in creating congenial atmosphere. This also helps to bring about transparency in the HR initiatives. This drive is a continuous process for better interaction and sharing with the employees in the company. Since all the Departments are covered in Phase I, now HR Department has started Phase-II of ‘HR Aapke Dwar’.

Participatory Gender Audit: To take a step further towards upgrading the policies and systems directed towards employee's organisational and personal growth, Company initiated an activity to understand the present mind-set of employees towards the issues of gender equality. In view of this, the Participatory Gender Audit recognised by International Labour Organisation was conducted in the organization. The major steps involved for the audit were as follows:

- An extensive Desk Review
- Interviews
- Collective Workshop

RCF is the first PSU which conducted Participatory Gender Audit (recognised by International Labour Organisation). The recommendations made under the Gender Audit Report have been examined and some of them have been accepted for phase wise implementation. To strengthen this initiative Gender Equality Policy of the Company was issued and Gender Budget has been provided for the activity of Gender Mainstreaming.

Initiative towards Paperless Organization: HR department is taking initiatives toward paperless office by implementing following practices:

- Implementation of online Leave approval system
- Implementation of online Performance Appraisal System for Officers
- Implementation of online Vigilance System

- Email Ids have been granted to unionized Cadre employees to improve communication
- Internet connection has been provided to officers in Senior Manager & above grade.
- Online submission of property return form for officers.
- Online submission of CR of unionized cadre employees.
- Online submission of PAR for GM and above level employees.
- Conducting interviews of eligible Marketing employees through video conferencing.
- Online EL Encashment, canteen complaint, grievance etc.

HR initiatives to improve Superior Subordinate Relationship: In order to improve Superior Subordinate Relationship following steps has been taken.

- Mentor mentee relationship
- Performance improvement plan
- Mid-term feedback system

Creating HR Brand:

- Introduction of Plant Coordinator
- Effective use of RCF web site / Intranet
- HR Help line for communication with employees and with general public.
- Introduction of leave bank Scheme
- Participation in knowledge Management Portal of DPE.
- Employee Satisfaction survey through External Agency

New awards have been introduced to encourage employees from all Levels:

- Corporate Excellence Award – For all GMs /CGMs
- Best Mentor Award
- Star performer
- Behind the Scene Award
- Good Health Award
- Pearl Award
- Manaviyata Puraskar
- Shramdan puraskar

Paper Assessment: From 1st April 2019 onwards assessment for promotion for the grade of E1 upto E3 grade has been conducted through Paper Assessment.

360 Degree Assessment: 360 Degree assessment has been introduced for assessment of eligible CMs/AGMs, DGMs and GMs/ CGMs for next higher grades from the year 2016-17. 360 Degree Performance Appraisal is a process where inputs on performance are sought from an employee i.e. self-appraisal, employee's Supervisor, Co-officer and subordinates. This is a comprehensive Appraisal system which provides feedback on a manager's performance collected from the people with whom he/she interacts regularly. Maximum one Mark each is given for the 10 approved competencies on a 5 points rating scale for each. This system have been made available through SAP Netweaver for the convenience of eligible candidates.

CHAPTER – 8

Promotion of Balance Use of Nutrient Fertilizers

8.1 Fertilizer Application Awareness Program

8.1.1 Agriculture remains the mainstay for livelihood of rural people in India and Fertilizers are the most vital inputs for Agriculture to meet the food production requirement for the country. There are many issues concerning Indian agriculture, which bears a direct relationship with the usage of Fertilizers. Some of the issues with regard to usage of fertilizers are Imbalance in usage of major Plant Nutrients viz. N, P & K; Non-awareness of usage and deficiency of Nutrients other than N-P-K required by Soil (micronutrients); Declining response ratio of the soil to the fertilizer application (Inefficiency of fertilizers); Agronomical importance of low analysis fertilizers like Single Super Phosphate; Development of new type of fertilizers like liquid fertilizers, special compounds, bio-fertilizers, slow-release fertilizers etc.; Climatic zones, Soil types, quantity & method of fertilizers usage and suitability for crops; Long-term sustainability of agriculture; and Use of Soil health cards to get right amount and right type of fertilizers for each crop.

8.1.2 In order to disseminate knowledge to farmers on optimum usage of fertilizer nutrients based on various parameters to sustain the agriculture productivity and to make them aware of new developments in the field of fertilizer usage and management, Department of Agricultural Research and Education (DARE), Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) & Department of Fertilizers (DoF), decided to jointly organise a Fertilizers Application Awareness Programme for Farmers with the help of State Governments.

8.1.3 The said program was inaugurated jointly by Shri Sadananda Gowda, Hon'ble Minister of Chemicals and Fertilizers and Shri Narendra Singh Tomar, Hon'ble Minister of Agriculture Cooperation & Farmers Welfare on 22nd October 2019 in ICAR, New Delhi. More than 1200 farmers participated in the Inaugural Program. The program was telecasted live across the country on DD Kisan for the benefit of farming community. Alongwith technical sessions on the subject, a short video film regarding the balanced use of various types of fertilisers was also shown during the inaugural programme. States/ UTs also organised a training cum awareness workshop at Krishi Vigyan Kendras (KVKs) to train the selected progressive farmers to make them aware regarding balanced use of fertilisers.



Hon'ble Minister for Chemicals & Fertilizers and Hon'ble Minister for Agriculture jointly inaugurating the Awareness Campaign



Hon'ble Minister for Chemicals & Fertilizers addressing the august gathering during the campaign

8.2 Policy on Promotion of City Compost

8.2.1 The Hon'ble Prime Minister in his Independence Day speech on 15th August, 2014 emphasized the need for improving general hygiene and cleanliness in the cities and villages. Government of India has approved a policy on promotion of City Compost. A notification conveying the approval of the Government has been issued by the Department of Fertilizers on 10.02.2016 in which Market Development Assistance (MDA) Rs. 1500/- per MT has been provided for scaling up production and consumption of City Compost. A fund of Rs. 32 crore for this purpose has been allocated for the financial year 2019-20. Promotion of City Compost is a flexi programme of Government of India for which a Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture has been set up for coordination. For better coordination and promotion of city compost, States have been asked to constitute State Level Steering Committee. State Level Steering Committee has been constituted in 11 States. The Direct Benefit Transfer (DBT) has been rolled out in Fertilizer Sector w.e.f. 1st March, 2018 and fertilizer companies marketing city compost are also covered under the scheme. The year-wise production and sales of the city is as under:

(in MT)

| Year | Production of city compost | Sale by marketing companies | Bulk Sale by manufacturing companies | Total Sale | % increase in total sale from previous year |
|------------------------|-----------------------------------|------------------------------------|---|-------------------|--|
| 2016-17 | 196992.32 | 96584.00 | - | 96584.00 | - |
| 2017-18 | 340017.21 | 123569.87 | 75492.04 | 199061.91 | 106.1 |
| 2018-19 | 234515.70 | 195551.48 | 111078.99 | 306630.47 | 54.03 |
| 2019-20 (April-Dec) | 247881.34 | 154729.79 | 91405.91 | 246134.70 | |

8.2.2 The processing and use of city waste as compost fully complements the “SWACHH BHARAT ABHIYAN” campaign of Government of India. The compost, in addition to replenishing the low organic carbon in Indian soils, also has several physical, chemical and biological effects including the supply of micro plant nutrients and the reduction in nitrogen leaching while unlocking fixed phosphorus. The integrated use of optimal dose of nitrogen, phosphorus and potassium (NPK) in conjunction with organic manure ensures better yields in a sustainable manner and also corrects some of the secondary and micro-nutrient deficiencies.

8.2.3 Composting can reduce the volume of waste to landfill/dumpsite by converting the waste into useful by-products. This also prevents production of harmful greenhouse gases (especially methane) and toxic material that pollutes groundwater apart from polluting the environment. City Waste composting would also generate employment in urban areas.

8.3 Use of Space technology in Fertilizer Sector

8.3.1 The Hon'ble Prime Minister in his address during Special Session of National Meet on promoting use of space technology in Governance and Development held on 7.9.2015, had emphasized the need to institutionalize a mechanism for integrating space applications in governance and development.

8.3.2 To make use of space technology in fertilizer sector, the Department of Fertilizers has taken an initiative to commission a three year Pilot Study on "Resource Mapping of Rock Phosphate using Reflectance Spectroscopy and Earth Observations Data" by National Remote Sensing Centre under ISRO in collaboration with Geological Survey of India(GSI) and the Atomic Mineral Directorate (AMD). The MoU for the propose study has been signed on 21.08.2017. The work on first phase is in progress. The findings of the study are as under:

- Preliminary Data processing for the phosphate mapping is completed.
- Spectral analysis of samples collected during field work is completed.
- Joint processing of ASTER data was carried out with GSI in the first week of January, 2019.
- Based on spectral analysis of rock samples, few promising areas or surface exposures of rock phosphate in Heerapur-Chhatarpur were identified.
- Draft report has been prepared and few samples are being sent to Atomic Mineral Directorate (AMD) to get geochemical data of these samples

CHAPTER – 9

Integrated Fertilizer Monitoring System (iFMS)

9.1 Introduction

- 9.1.1** The mandate of the Department of Fertilizers (DoF) is to make available fertilizers to the farmers at affordable prices. The “affordable prices” part of the mandate gets translated into subsidized fertilizers. The subsidy portion of fertilizers which ranges from 30% to 70% of the cost of the fertilizers is given to the companies, so as to make available fertilizers for the farmers at subsidized MRP.
- 9.1.2** The requirement of fertilizers is projected by the state governments to the department of Agriculture & cooperation, Government of India, which in turn, coordinates with DoF for finalizing the requirement of fertilizers in the country.
- 9.1.3** With the objective to monitor the Import, production and movement of various subsidised fertilizers and processing subsidy claims, different software systems were introduced by DoF over the last decade viz FMS (Fertilizer Monitoring system -2007), mFMS (Mobile Fertilizer Monitoring System- 2012), iFMS (Integrated Fertilizer Monitoring system- 2016).The details are as under:

9.2 Fertilizer Monitoring System (FMS)

The Fertilizer Monitoring System (FMS) www.urvark.co.in was launched in May 2007. It monitors the production, dispatches, receipts and sales of DAP, MOP, SSP, NPK and Urea (indigenous and imported) fertilizers from point of production to district warehouses.

9.3 Mobile Fertilizer Monitoring System (mFMS)

- 9.3.1** To achieve more visibility and transparency in the fertilizer supply chain from production to receipt at the last point sale (retail point), the Mobile Fertilizer Monitoring System (mFMS) was introduced in the year 2012. It facilitated the retailer to acknowledge the receipt of stock through mobile as well as web.
- 9.3.2** The mobile Fertilizer Monitoring System (mFMS) has been implemented for all subsidized fertilizers in the country. The subsidized fertilizers namely Urea and 21 grades of Phosphatic and Potassic (P&K) fertilizers, namely; DAP, MAP, TSP, MOP, Ammonium Sulphate, SSP and 15 grades of NPKS complex fertilizers are covered under the mFMS.
- 9.3.3** A portion of the subsidy (5-15% depending on the grade of fertilizer) is given to manufacturers only when the retailer acknowledges the receipt in mFMS.

9.4 Integrated Fertilizer Monitoring System (iFMS)

In June 2014, it was decided by DoF to develop a more comprehensive, all-inclusive system which integrates, incorporates and enhances the features of both the earlier systems i.e. FMS and mFMS. Accordingly, the software programme iFMS (Integrated Fertilizer Monitoring System) was developed by NIC. The new software has been on parallel run from June 2016 and has become fully operational w.e.f. 1st September 2016.

Presently 173 fertilizer manufacturers, 24,965 wholesalers and 2,21,629 retailers are registered in iFMS.

9.5 Development of iFMS

The system was developed in consultation with the industry and other stakeholders. It incorporates all the functionalities that were present in FMS & mFMS system.

9.6 Functionalities in iFMS

Integrated Fertilizer Monitoring System (iFMS) therefore, is a path breaking IT initiative undertaken by the Department of fertilizers to improve the functioning of Department Of Fertilizers in not only monitoring the movement and managing supplies of fertilizer but also processing of the subsidy claims. Various functionalities of system are:

1. **Transactions:** Following transactional details are captured on the system. These are entered by the companies on a daily basis and thus system always provides latest information to the Department of Fertilizers and state governments at all points of time:
 - Import of raw material / finished goods.
 - Custom clearances
 - Receipts of plant
 - Production
 - Dispatches from plant and Ports and Returns.
 - Receipts.
 - Sales
 - Warehouse details
 - Wholesaler details
 - Claim generation

All the above transactions in the system capture information in detail and facilitate the department in monitoring the movement of fertilizers and settlement of claims.

2. **Requirement & Supply Plan:** The distribution of fertilizer in the country is linked to the requirement given by states for every season. The states also facilitate the fine-tuning of the supply plan for a month, in consultation with the Lead fertilizer Supplier (LFS) and the department. Thus the State Governments can provide and view the information about fertilizer distribution online.

3. **Subsidy Claims & Freight Subsidy:** The subsidy claims are generated automatically based on the data entered on the system throughout the month. The claims once generated on the system as per the guidelines and format prescribed by the Department are approved at different levels within the department according to the set norms.

The freight claims are generated as per the uniform Freight subsidy policy and also approved on the system.

4. **Certification of the states:** Provision has been made for the state agriculture department officials to enter the

- Receipts made in their state.
- Substandard or short quantity and certify and upload the Proforma B directly on the system
- Provision has also been made to upload quality certificate (Proforma B2) by the state governments.

5. **Processing claims within the Department :** The entire process of approval of claims (both controlled and decontrolled) within the department has been mapped on to iFMS. Provision has been made for the following:

- Tracking of budgets both for P&K and Urea (Cash, bond, special banking arrangement)
- Generation of noting and sanction advice in the prescribed formats.
- Provision to split claims and generate supplementary claims
- Provision to split the sanction advice depending on the amount being actually disbursed.
- Provision to link the companies Bank guarantee and the amounts already utilized and available.
- Provision to link the Registration Certificate given by the state for the sale of Fertilizers, to prevent processing of claims in the case the same has not been submitted to the department.

6. **Public Domain:** The public domain of the system is (www.mfms.nic.in). Various reports are available here for viewing, with regard to state-wise, district-wise & company-wise dispatch & receipts of various grades of fertilizers.

7. **The MIS provided on iFMS gives up to date information about the fertilizers. Some of the indicative reports are:**

- State-wise/ Distt-wise/ Finish Good-wise/ Dispatch Report.
- State-wise/ Distt-wise/ Finish Good-wise/ Sales Report.
- District-wise-Distribution wise sale Report.
- Supply Plan Vs Actual Receipts.
- Requirement Vs Supply Plan

9.7 Release Order Module (R.O. Module)

9.7.1 R.O Module/ Vehicle Challan Module was incorporated in the iFMS system on 17th May 2017. The objective of this module is to track the movement of fertilizers across the country on a real time basis. This module enables companies, Wholesalers and retailers to generate Vehicle challans in the iFMS application itself. It is now mandatory to generate Vehicle Challans whenever there is a movement by road and only those transactions for which Vehicle Challan is generated, will be available to the receiver for acknowledgment.

9.8 Details Captured in the R.O. Module

- The information of truck carrying the Fertilizer.
- Movement of Fertilizer from plant/port to loading rake point.
- Movement of Fertilizer from plant/port to District warehouse.
- Movement of Fertilizer from rake point to District warehouse.
- Movement of Fertilizer from District warehouse to wholesaler/retailer.
- Movement of Fertilizer from wholesaler to wholesaler/retailer.

9.9 DBT System

(i) Under DBT system, iFMS has been further extended to capture the Retailer sales to Farmers through the Point Of Sale (PoS) device. For the same, PoS device software was developed by the department with integrated services of Aadhaar Biometric services to authenticate all buyers on the PoS devices. PoS device plays an important role in implementation of the DBT project. The sale of fertilizers by retailers to farmers is done through PoS device only. Presently PoS software version 3.0 is in use throughout the country.

(ii) The PoS software provides for a one-time registration of retailers in the system. Retailers can register and authenticate themselves by entering their iFMS user ID and Aadhaar card number. Once one-time registration is done, the retailer can register more sub-retailers under same id for other users. Only registered retailers can operate this system. The PoS software has provision of sale of fertilizers to the farmers or buyers whose identity is verified through Aadhaar based biometric authentication or Voter ID card or Kisan Credit Card (KCC). All sales transactions through PoS are tracked Company wise, Plant-wise, Product wise in the Integrated Fertilizer Management System (iFMS) which enables the Department of Fertilizer to process the weekly subsidy bills raised by the manufacturing units.

Each successful sale transaction will generate two sale receipts, one for buyer and other for retailer for record purpose. The generated bill also automatically informs the buyer the exact amount of subsidy that has been paid by the Government of India to the manufacturer or importer on his purchase.

The PoS user Module is further divided into the following sub –modules

- Sale of Fertilizers
- Receipt Acknowledgement
- Initial Stock Reporting
- Bill Receipts
- Reports

9.10 Reports generated in PoS software

- **Fertilizer stock report:** a retailer may click this module to generate fertilizer stocks available as on date at their end.
- **Fertilizer sale report for a week:** it provides record of sale of fertilizers on weekly basis.
- **Fertilizer received report:** it is used to generate report on fertilizers received at the retailer. This report shows the company name, receiving date and quantity of fertilizers received.
- **Print bill in duplicate:** Its use is to print a duplicate bill in case of any requirement.

9.11 DBT 2.0 Initiatives:

a) PoS 3.0 Software:

Under DBT, the fertilizer are sold through the PoS devices installed at retail points across the country. Till now 14 versions of PoS software has been released in the process of improving the PoS operations, latest being PoS 3.0 version.

b) DBT Dashboards.

In order to provide accurate information about the position of supply/availability/requirement of various fertilizers at National, State and District levels, the DOF has developed various dash-boards. These dash-boards can be accessed by general public by clicking the e-urvarak website of DOF (www.urvarak.nic.in).

c) Desktop PoS Version:

As a part of ongoing implementation of DBT, the department has installed PoS devices at 2.26 lakh retail points across the country. Keeping in view the various operational challenges viz. limited PoS vendors, rush of sales due to peak season etc. the department developed a desktop version of PoS software as an alternative or added facility to PoS devices. Retailers with Laptops and Computer systems can use high speed broadband service for fertilizer sales. The Desktop software is more robust and secure as the application is developed and handled directly from the central HQ team at D/o Fertilizers. The desktop version will facilitate easy handling of fertilizer business at retailer points.

CHAPTER- 10

Right to Information Act, 2005

- 10.1** The Right to Information Act, 2005 (RTI) was assented by the President of India on 15.6.2005 and notified on 21.6.2005. Some of the Sections of the Act, namely, sections 4(10), 5(1) & (2), 12,13,15,16,24,27 & 28 relating to obligations of Public Authorities for maintenance and computerization of record/information, designation of Public Information Officers constitution of Central Information Commission and State Information Commission, exclusion of certain organizations etc, came into force immediately. The remaining provisions of the RTI Act came into force on the 120th day of its enactment i.e. 12th October 2005.
- 10.2** In compliance of the RTI Act, the Department has designated CPIOs and Appellate Authorities. The respective PSUs under the administrative control of the Department have been directed to ensure compliance of the RTI Act. Some of the important steps taken by the Department in compliance of the Act are:-
- a) Created a separate link for RTI Act on its website <http://fert.nic.in> placing a handbook on RTI giving general information about the Department required under the Act.
 - b) Orders designating CPIOs and Appellate Authorities with required details are placed on the website, which are updated from time to time.
 - c) Counter opened at Public Information Centre of DoF at Room No. G-12, Ground Floor, A wing, Shastri Bhawan, for applications as well as prescribed fee under the RTI Act.
 - d) Appointment of Nodal Officer intimated to Department of Post enabling providing of services by that Department as CAPIOs across the country.
- 10.3** The Department has started registration of applications and appeals under the RTI Act on the Management Information System (RTI_MIS) software available on the web-site of CIC (<http://rti.gov.in>).
- 10.4** The Department has started receiving RTI applications/Appeals on RTI web portal of DoPT, <http://rtionline.gov.in/RTIMIS>
- 10.5** During the year 2019-20 (upto Dec 2019), 505 applications and 23 appeals were received physically and online out of which 490 applications and 15 appeals were disposed off during the year and the remaining 15 out of 505 applications and 8 out of 23 appeals are under process for sending reply to the applicants.

CHAPTER – 11

Vigilance Activities

- 11.1** The Vigilance activities of the Department extend to the Department as well as to 9 public Sector Undertaking and three Joint Venture. The Vigilance Division is headed by Additional Secretary who is designated as Chief Vigilance Officer of the Department. The CVO is assisted by Director/ Deputy Secretary, Under Secretary and a Section Officer along with 4 vigilance staff. Vigilance related activities are carried out within the framework provided by the DoPT and CVC and Department of Public Enterprises. The Department plays a proactive role in ensuring the prompt disposal of the complaints and in framing preventive guidelines. Efforts are made by the Department to simplify the procedure in the PSUs to promote transparency in their working which reduces the chance of corruption.
- 11.2** “Vigilance Awareness Week” was celebrated in this Department from 28th October to 2th November 2019. During the week banners were displayed in different places in the Department to create vigilance awareness among the staff. A pledge was administered by the Economic Adviser to the staff and essay competition was also held.
- 11.3** Agreed List of Public Servants and List of Public Servants of doubtful integrity for the year 2019 have been finalized and sent to CBI. Further, regarding complaints received in Vigilance Division of this Department, as on 01.01.2019, there were 8 complaints received from various sources including the ones received from CVC further during the year, 2019. 9 more complaints including one their CVC have been received till dated 6 complaints including one from CVC have been disposed off during the year 2019. The remaining complaints are at various stages of examination and are under process.

CHAPTER – 12

Progressive use of Official Language

12.1 Progressive use of official language Hindi

12.1.1 As per the instructions issued from time to time by the Department of Official Language, Ministry of Home Affairs, Department of Fertilizers is making constant endeavour for implementing the Official Language Policy of the Union. The work pertaining to the progressive use of Hindi in the Department, its attached office and 09 PSUs is under the administrative control of Joint Secretary (PS). For his assistance, posts of two Deputy Directors (OL), two Assistant Directors (OL), three Senior Translation Officers & one Junior Translation officer are created. Department of Fertilizers continued its efforts towards greater use of Hindi in official work during 2019-2020 keeping in view the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs for implementation of the Official language policy of the Union.

12.1.2 All the 260 Computers (PCs) in the Department are equipped with unicode bilingual facility. Efforts are being made to promote the use of Hindi in the correspondence. All officers/employees of the Department are having working knowledge of Hindi. Besides, a number of effective measures have been taken for the promotion of progressive use of Hindi in the Department, its attached office of FICC and PSUs under its administrative control. Details of these measures are summarized below:-

12.2 Implementation of Section 3(3) of the Official Language Act

In pursuance of the official language policy of the Govt. of India, all documents covered under section 3(3) of the Official Language Act, 1963 are being issued both in English and Hindi. In order to ensure correspondence in Hindi to Central Government offices located in Region 'A', 'B' and 'C', action plan based on the checkpoints identified in the Department has been prepared to ensure compliance of the official language policy. All the letters received in Hindi are invariably replied to in Hindi. Efforts are also being made to reply the letters in Hindi which are received in English from region 'A' & 'B'. Efforts to increase the original correspondence in Hindi with the state governments are also being made.

12.3 Hindi Training

The Department prepares a time bound programme to impart in-service training to all its officers/employees who do not possess working knowledge of Hindi/Hindi Stenography/Hindi Typing. Four stenographers of the department are yet to be imparted Hindi stenography training. They will be nominated for the training in near future. The Department has nominated Shri Sanjeet, Junior Secretariat Assistant, cash section for hindi Shabd Sansadhan (hindi typing) Correspondence course Central Hindi training Institute as Present he is under training.

12.4 Reports relating to Official Language, Hindi

The quarterly/Annual Reports were prepared and sent to the Department of Official Language and above reports received from the PSUs/office under the administrative control of the Department were reviewed.

12.5 Annual Programme

Annual Programme issued by Department of Official Language for the year 2019-20 was received and circulated to its sections and PSUs/office under the administrative control of the Department.

12.6 Official Language Implementation Committee (OLIC)

An Official Language Implementation Committee (OLIC) has been constituted under the chairmanship of Joint Secretary (Adm.) in the Department. This committee regularly reviews the progress made in the use of Hindi in the Department and its attached office FICC and 09 PSUs on quarterly basis. It gives appropriate suggestions and recommends measures to be taken for the effective implementation of the official language policy.

12.7 Hindi Salahkar Samiti

With a view to render advice for effective implementation of the official language policy of the Government, reconstruction of the Hindi Salahkar Samiti (Hindi Advisory Committee) of the Ministry of Chemicals and Fertilizers, which is the joint committee of the Department of Petrochemicals, Department of Pharmaceuticals and the Department of Fertilizers, is under process.

12.8 Incentive Scheme for original noting/drafting work in Hindi

The incentive scheme for noting/drafting in Hindi introduced by the Department of Official Language is continued. This scheme carries two first prizes of 5000/- each, three second prizes of 3000/- each and five third prizes of 2000/- each. Prizes were given to total 6 (six) participants.

12.9 Cash prize scheme for dictation in Hindi

An incentive scheme for officers for giving dictation in Hindi is in operation in the Department. Under this scheme, there is a provision of two cash prizes of 5000/- each (one for Hindi speaking and other for Non-Hindi speaking).

12.10 Hindi Day/Hindi Fortnight

In order to encourage the use of Hindi in official work amongst officers/employees of the Department, the messages from Hon'ble Home Minister and Hon'ble Cabinet Secretary were circulated among the officers/employees of the Department and all PSUs under the administrative control of the Department. During the Hindi fortnight, which was organized in the Department from 12th September, 2019 to 26th September, 2019, various competitions such as Hindi Essay writing, Hindi typing, short extempore speech

in Hindi, noting and drafting in Hindi (separately for Hindi and non-Hindi speaking employees) General Knowledge and Rajbhasha Prashnottary in Hindi were organized. Officers/employees took part very enthusiastically in these competitions and 37 officers/employees won prizes. Prizes have been distributed by Additional Secretary (F).

12.11 Hindi Workshops

During the year, 02 Hindi workshops, one for US to Director level officers and the other for Section Officers/PSs/Assistant Section officers/DEO's, were organized in the Department to overcome the hesitation of working in Hindi and encourage the officials to do their more and more work in Hindi. 32 officers/employees participated in these workshops.

12.12 Inspections regarding progressive use of Hindi

In order to oversee the implementation of the official language all sections of the department and 4 offices/units of different PSUs were inspected by the Assistant Director (OL) of the Department during the year.



Hon'ble Joint Secretary (PS) Sh. Partha Sarthi Sen Sharma inaugurating Hindi Pakhwada 2019 organised in the Department from 12.09.2019 to 26.09.2019.



Participants participating in the Hindi Noting Drafting Competition organised in the Department during Hindi Pakhwada 2019.



A workshop on “filling up Quarterly Report of Hindi properly” was organised for the officers/officials on 24th September, 2019 during Hindi Pakhwada 2019 in the Department. The Guest Lecturer speaking in the workshop.

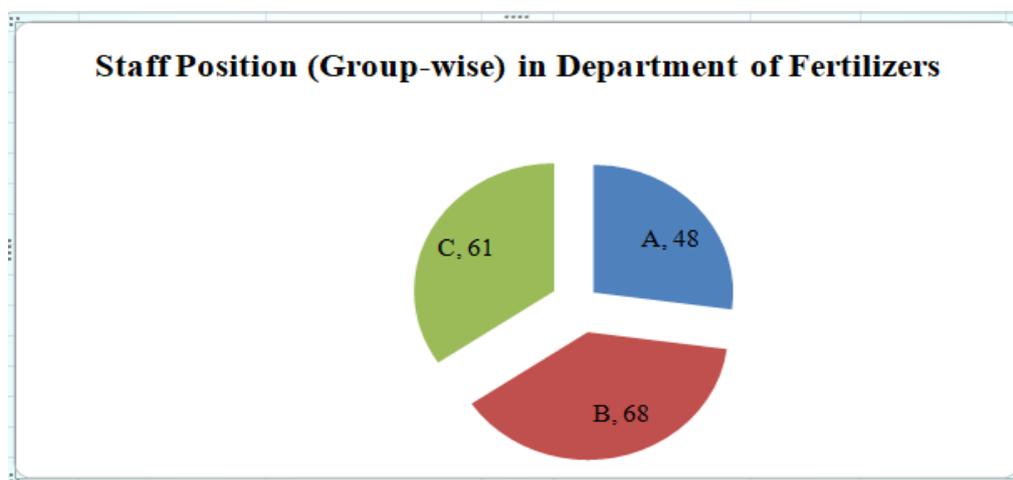


Prize distribution Ceremony for the winners of Hindi Pakhwada 2019 competitions being chaired by Hon'ble Additional Secretary, Sh. Dharm Pal.

CHAPTER – 13

WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES, OTHER B backward CLASSES AND PHYSICALLY HANDICAPPED PERSONS

- 13.1 The number of total existing staff in Department of Fertilizers is represented Group-wise in the figure given below; utmost care has been exercised to implement Government's instructions regarding recruitment and promotion of candidates belonging to the Schedule Castes (SCs), Schedule Tribe (STs), Other Backward Classes (OBCs) and Physically Handicapped (PHPs) categories in various groups of services in the Department.



Women Empowerment

- 13.2.1 Following the promulgation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [SHWW(PPR) Act] and notification of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 [SHWW(PPR) Rules] on 09/12/2013, the Government has notified the amendments to Central Civil Services (Conduct) Rules 1964 and Classification, Control and Appeal Rules 1965 on 19/11/2014.
- 13.2.2 As per the extant guidelines, complaint committee mechanism provided under Vishakha guidelines relating to sexual harassment is strictly followed in the Department. The Committee is headed by a women officer namely Ms.Rekha Sharma who is working as Deputy Secretary in this Department. The committee comprises of 6 member including Chairperson, out of which one member is recruited from outside Department, preferably from an NGO working for the welfare of women. The Committee meets at least once in every quarter. In the year 2019-20 (up to 01/11/2019) no sexual harassment case was reported.

CHAPTER – 14

Sevottam, Grievances Redressal, E-Samiksha and Pragati

14.1 The Sevottam model has been developed with the overarching objective of improving the quality of public service delivery in the country. The model has three components viz. Citizen's Charter, Public Grievance Redressal and excellence in Service Delivery with an overall objective of keeping citizens better informed and their empowerment in order to be able to demand better services, grievance redressal and continuous improved delivery system.

14.2 Implementation of Sevottam

14.2.1 The Department of Fertilizers is committed to the effective and responsive administration and excellence in service delivery and has completely implemented the SEVOTTAM framework of Government of India. The Department has created a Sevottam complaint Citizen's/Clients Charter as well as Sevottam compliant Grievance Redressal mechanism. Citizen's/Client's Charter of Department of Fertilizers has been prepared and displayed on the Department's website.

14.2.2 The Department offers services to Citizens, Central Public Sector Enterprises under the Department, Fertilizer producing companies, importers of fertilizers / fertilizer raw material suppliers, Department of Agriculture and Cooperation etc, as per the service standards indicated in the Citizen's/Client's Charter which are as under :-

- Timely grant of clearance for setting up /augmenting of fertilizer production unit.
- Timely payment of subsidy to fertilizer companies.
- Timely fixing of production/inputs targets for the fertilizer companies.
- Recommendations to Revenue Department for concessional rate of custom duty under Project Import Scheme in Fertilizer sector in respect of imported machinery and equipments for capital goods.
- Timely payment of bills to vendors.
- Prompt grievance redressal.
- Decision on proposals for capacity expansion, technical upgradation, modernization of plants, machinery, etc.

14.3 Grievance Redress Mechanism: -

14.3.1 A Grievance Redress Mechanism has been set up in the Department with an objective of speedy redressal and effective monitoring of grievances. A Nodal Officer of the rank of Joint Secretary has been designated as Director of Public Grievance. Separate Nodal Officers have been designated for redressal of Staff Grievances and Grievances of pensioners. Service recipients can either lodge their grievances on Centralized Public Grievance Redress and Monitoring System (CPGRAMS) at the Grievance Portal of Department of Administrative Reforms and Public Grievances (DARPG) at

<http://pgportal.gov.in> or at the centralized Pensioners Grievances Redressal and Monitoring System (CPENG-RAMS) at pensioners' Portal of Department of Pension & Pensioners' Welfare at <http://pensionersportal.gov.in/CPENGRAMS> (for grievances of pensioners) or at the website of the Department of Fertilizers or they can give it in person or send it by post or e-mail or by fax to the Director of public Grievance of the Department. Grievances received in Department of Fertilizer are monitored in Centralized Public Grievance Redressal and Monitoring System (CPGRAMS). The grievances are transferred to concerned CPSEs/Divisions of the Department of Fertilizers through online and the status of disposal is monitored on the basis of the portal. During 2019-20 Department of Fertilizers, received 376* (this includes 23 pending cases of the previous year) public grievance cases (as on 25/1/2020), directly or through other Departments, out of which 344* cases were disposed and 32* cases are under process at different stages in the DoF.

* tentative figures.

14.4 E-Samiksha

14.4.1 E-Samiksha is a real time, on-line system for monitoring of follow-up action on the decisions taken during the presentations made by different Ministries/Departments to the Hon'ble Prime Minister. The follow-up action in respect of each decision is to be updated by the concerned Ministry/Department/Agency as and when the status changes or at least every week. Hon'ble Prime Minister and Cabinet Secretary directly monitor projects and schemes of Ministries through e-Samiksha. The Department actively updates material relating to it on the e-Samiksha Portal and it is monitored at Joint Secretary/Secretary level.

14.5 PRAGATI (Pro-Active Governance And Timely Implementation)

14.5.1 PRAGATI is another platform through which Hon'ble Prime Minister monitors and reviews important programme and projects of Centre and States every month. The Department actively updates material relating to it on the PRAGATI Portal and it is monitored at Joint Secretary/Secretary level.

14.6 Swachh Bharat Mission: Swachhta Pakhwada was observed in the Department of Fertilizers from 1st September, 2019 to 15th September, 2019 under Swachh Bharat Mission. Various activities performed during this period are as under:

- (i) Message of Hon'ble Minister (C&F) relating to Swachhta pakhwada was placed on Department of Fertilizer's website.
- (ii) Swachhta pledge was administered by Secretary (F) among the staff of Department of Fertilizers. After the pledge, cloth bags (which were provided by a Self-Help Group) were distributed by Secretary(F) among them in order to discourage the use of plastic bags.

- (iii) A essay writing competition (Bilingual) was conducted on the topics of Swachhta related activities which the officials of DOF participated. Cash Prizes were distributed to the selected winners for writing creative and good essays.
- (iv) Saplings were planted at nearby places of office premises by the officers of DoF.
- (v) Swachhta Pakhwada was also observed by the PSUs under the administrative control of DOF. At the end of the Pakhwada, RCFtwo PSUs were awarded 1st and 2nd



CHAPTER – 15

AUDIT REPORT

| Sl. No. | Year of Report | No of Paras/PAC reports on which ATNs have been submitted to PAC after vetting comments by Audit | Details of the Paras/PA reports on which ATNs are pending. | | |
|---------|---|--|---|---|---|
| | | | No. of ATNs not sent by the Ministry even for the first time. | No of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry | No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry |
| 1 | Reports No. 16 of year 2015 which has been taken over by PAC as 111 th Report (16 th Lok Sabha) | 05 PAC observations | Nil | - | - |

*Final ATR on 111th PAC Report has been forwarded to Lok Sabha Sectt. and also been uploaded on APMS Portal. Hence, no action is pending in this regard from the Department.