


Shastri Bhawan, New Delhi
Dated : 30th September, 2024

OFFICE MEMORANDUM

Subject : Monthly Summary to the Cabinet for the month of : August, 2024-reg.

The undersigned is directed to circulate herewith the Monthly Summary pertaining to the Department of Fertilizers for the month of August, 2024 for information.

This issues with the approval of competent authority.


(Ashok Kumar Singh)
Assistant Director (PMI-I)
Tel. 011-23389578

To,

1. All members of Council of Ministers

Copy to :

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

Subject : Monthly Summary of Dept. of Fertilizers for the month August, 2024.

1. Overall production performance during the month :

(Fig. in 'LMT')

Product Name	Production during the month	Cumulative production upto the month
Urea	26.21	128.37
DAP	4.03	17.76
Ammonium Sulphate (A/S)	0.61	2.57
Complex Fertilizers	9.51	44.53
Single Super Phosphate	4.08	21.38

Sources: dbtfert.nic.in as on 05.09.2024

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

(Fig. in 'LMT')

Product Name	Assessed Requirement	Availability	Sales
Urea	35.17	114.67	49.36
DAP	9.69	22.65	8.72
MOP	1.81	9.65	2.08
NPK	13.58	59.66	18.06

Source of data is Dashboard

3. Details of Imported Finished Fertilizers during the month:

Product Name	Quantity in 'LMT'
Urea	3.39
MOP for Agriculture use	1.19
DAP	1.22
NPK	0.00

4. Incremental progress of Talcher Fertilizer Project during August, 2024:

(A). REVIVAL OF TALCHER UNIT:

Government of India mandated revival of Talcher unit of M/s FCIL, located in Angul district, Odisha. Accordingly, a Joint Venture Company named Talcher Fertilizers Ltd. (TFL) has been incorporated for setting up coal gasification-based Ammonia urea plant of 12.7 LMT/PA capacity, which is first of its kind in India. Foundation of the plant was laid by Hon'ble Prime Minister on 17th February, 2019. Equity of GAIL, RCF & CIL in TFL is 31.85% each and that of FCIL is 4.45%. CCEA in its meeting held on 21.02.2024 approved total revised equity investment of Rs. 2169.67 crore ($\pm 10\%$) by RCF in the TFL project. The LSTK contract (Coal Gasification and Ammonia Urea Package) amounting to Rs. 8400 Crore was awarded to Wuhan

Engineering Corporation Ltd. (WECL), China and OSBL (Outside Battery Limit) packages amounting to Rs. 4850 has been awarded to different contractors in India.

(B). Following are the major activities and achievements in respect of TFL plant during the month of August, 2024: -

I. Overall progress of Project

The overall progress of the project as on 31st August, 2024 is 62.88% as against 62.33% as on 31st July, 2024. The break-up of progress of M/s WECL packages are as under: -

- i. Coal Gasification - 59.03% (% increase during August, 2024 month is 0.22%)
- ii. Ammonia urea - 54.50% (% increase during August, 2024 month is 0.13%)

II. Progress of OSBL Packages: -

- i. The overall progress of the OSBL packages as on 31st August, 2024 is 71.90% as against 70.70% as on 31st July, 2024. OSBL packages like Pipe rack, Plant lighting, are expected to be completed by end of October, 2024 whereas Boiler-1 & Raw water treatment plant & De Mineralization Plant are expected to be completed by end of December, 2024.

III. Critical Issues identified:

- i. During the regular review meeting of the TFL project, it has been observed that the major issues impacting the project's progress were Engineering issues, Procurement inadequate Cash Flow by M/s WECL and inadequate deployment of manpower/labor by LSTK Contractor, M/s WECL in Coal Gasification & Ammonia-Urea package. M/s WECL has been raising the issue of cost compensation of Rs. 2500 Crore. The said demand is completely outside the scope of LSTK agreement and it has been conveyed to M/s WECL.

IV. Steps taken to resolve pending issues: -

- i. Meeting was held on 01.08.2024 with WECL officials under the Chairmanship of Secretary (F), Department of Fertilizers. The issues being raised by them relating to additional demand of Rs. 2500 Crore holding of amount under Mutually agreed Damages) (MAD) as per the contract agreement and visa related issues. Through number of issues got addressed, M/s WECL continued their inflexible stand for compensation cost amounting Rs. 2500 Crore. WECL officials were asked to submit a comprehensive completion roadmap covering design, engineering, placement of balance orders, dispatch of equipment's and completion of structural frames and erection of all equipment's, They were also requested for long overdue visit of Project Director to the site (not cleared so far by Chinese authority) for early resolution of the issues and expediting the progress of the Project.
- ii. On 13th August, 2024, a Coordination meeting was held among the CMDs of GAIL, RCF, CIL, and PDIL to discuss critical issues concerning the non-performance of M/s WECL. During the meeting, various alternative strategies were explored in case M/s WECL fails to achieve progress in the assigned works. These strategies included issuing notices to M/s WECL for sub-optimal performance, seeking legal opinions from the Solicitor General of India (SGI), and engaging with other potential agencies capable of undertaking the remaining work. On 23.08.2024, a Notice has been served to M/s WECL citing their non-performance.

- iii. In the meeting held on 27.08.2024, TFL was directed to engage with top management of M/s WECL to resolve all the identified critical issues.

5. Expenditure position:

As against total available budget B.E. 2024-25 of Rs. 168130.81 Crore for F.Y. 2024-25, expenditure on administration of fertilizer subsidy during August 2024 was Rs.17997.35 Crore (Urea: Rs. 12935.45 Crore, P&K: Rs. 5055.48 Crore, Establishment: Rs.3.13 Crore, MDA for GOBARdhan: Rs. 0.99 Crore, DBT: Rs.2.25 Crore & Capital Expenditure Rs. 0.05 Crore). Progressive expenditure during April, 2024 to August, 2024 was Rs. 63239.36 Crore (Urea: Rs. 45396.97 Crore, P&K: Rs. 17814.80 Crore, Establishment: Rs.18.88 Crore, DBT: Rs. 4.32 Crore, Capital Expenditure Rs. 0.38 Crore & MDA for GOBARdhan Rs. 4.01 Crore). i.e. the approx. 37.61 % of the total allocation.
