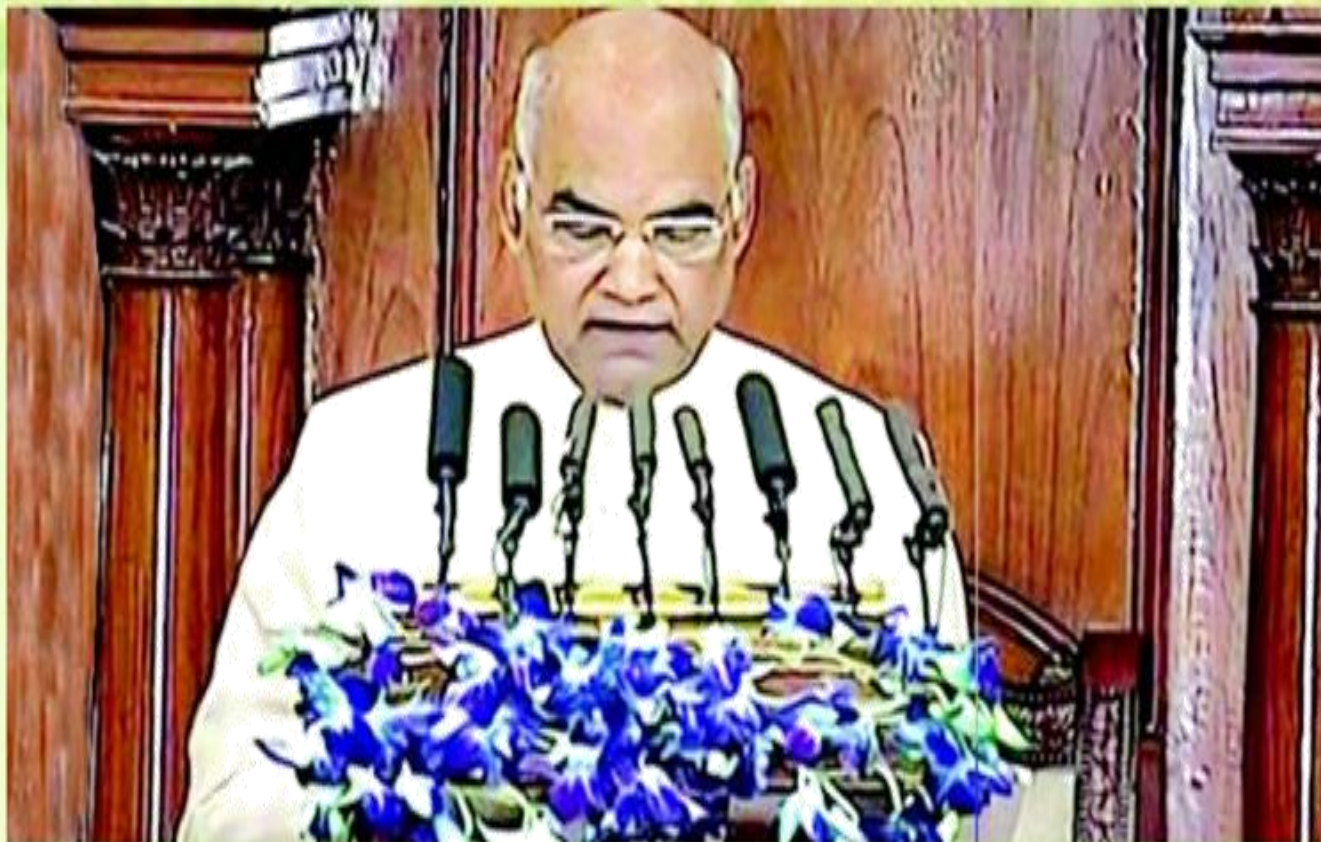


ANNUAL REPORT 2017-18

**Government of India Ministry of
Chemicals & Fertilizers Department
of Fertilizers**





**VERBATIM RELEVANT EXTRACTS FROM PRESIDENT'S ADDRESS
DURING THE JOINT SESSION OF THE PARLIAMENT IN 2018
RELATING TO FERTILIZER SECTOR**

While on one hand, my Government's policies have helped in increasing the production of urea, on the other, mandatory 100 per cent Neem coating of urea has eliminated its black marketing. The work on reopening of fertilizer plants at Gorakhpur, Barauni, Sindri, Talcher and Ramagundam is progressing at a fast pace.



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CHAPTER - I

INTRODUCTION

1.1.1 Agriculture which accounts for about one seventh of the GDP, provides sustenance to nearly two-third of our population. 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 MT in 1951-52, food grain production increased to about 252.22 million MT in 2015-16. The target for 2016-17 has been kept at 275.68 MT. In meeting the domestic requirement of food grains and also generating exportable surpluses, the significant role played by chemical fertilizers is well recognized.

1.1.2 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 fertilizer 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

1.2.1 The actual production of all the Fertilizers during the year 2016-17 was 414.41 LMT. The estimated production of all the Fertilizers during the year 2017-18 is expected to be 462.20 LMT showing an increase of more than 11% in comparison with 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.

- 1.2.2** The Government had announced New Investment Policy (NIP)-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. Under the said policy, Matix Fertilizers & Chemicals Limited (Matix) has set up a CBM based Greenfield Ammonia Urea complex at Panagarh, West Bengal with the installed capacity of 1.3 MMT per annum. The commercial production of Matix has started on 1st October, 2017.
- 1.2.3** At present, there are 31 large size urea plants in the country manufacturing urea, 21 units produce DAP and complex fertilizers and 2 units manufacture Ammonium Sulphate as a by-product.
- 1.2.4** The unit-wise details of Installed / Reassessed Capacity and production during the year 2016-17 & estimated production during the year 2017-18 are given in **Annexure-I**.
- 1.2.5** The Product-wise & Sector-wise details of Installed/Reassessed Capacity and production during the year 2016-17 & estimated production during the year 2017-18 are given in **Annexure-II**.
- 1.2.6** Production of Urea, DAP & Complex fertilizers during 2001-02 to 2017-18 (upto October, 2017) are at **Annexure-III**.
- 1.2.7** Unit-wise production of Urea during 2007-08 to 2017-18(upto October, 2017) are at **Annexure-IV**.

CHAPTER - 2

ORGANISATIONAL SETUP AND FUNCTIONS

2.1.1 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**.

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

1. Urea Pricing Policy Division (UPP).
2. Phosphatic & Potassic Fertilizers (P&K Division) and Joint Ventures abroad (IC Section).
3. Fertilizer Imports, Movement and Distribution (Movement Division).
4. Public Sector Undertakings (PSU) & HR-PSU (dealing with PSUs).

5. Fertilizer Industry Coordination Committee (FICC), an attached office.

6. Fertilizers Subsidy (FS Division).

7. General, Establishment - (Estt. Section), Parliament, Coordination, Information Technology, RTI matters (General), Vigilance.

8. Economic and Statistics (E&S), Monitoring and Evaluation (M&E) and Production and Inputs, (P&I)

9. Finance and Budget (IFD)

10. Direct Benefits Transfer (DBT cell)

2.1.3 UPP Division deals with Urea Pricing Policy namely New Urea Policy- 2015 & 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.

2.1.4 P&K Division 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, are also dealt with by P&K Division.

2.1.5 IC section:- In order to secure supply of P&K Fertilizers and raw material / intermediates as well as urea requirements, the Division is assigned the task to initiate and finalize joint ventures (JV) and long-term off take arrangements with countries having rich fertilizers/raw materials resources, Matters relating to WTO/EXIM Policy / Commerce / Mines etc. are dealt with by IC section.

2.1.6 Movement Division 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).

2.1.7 PSU Division 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, formation of new PSUs and all matters incidental thereto in respect of nine fertilizers PSUs i.e. RCF /NFL/MFL/FACT/BVFCL/FAGMI L/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.

2.1.8 FICC is an attached office under the

Department of Fertilizers 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 production data, costs and other information.

2.1.9 FS Division 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.

2.1.10 General Division consists of General, Establishment, Information Technology (IT), RTI and Cash sections. **General section** deals with supply of day to day articles needed for smooth running of office, house keeping services, maintenance of office equipment

including air conditioners, photocopiers etc., printing of annual report, outcome budget, DDG etc., hospitality services.

Establishment Section deals with all service related matters of officers / officials of Department of Fertilizers.

Parliament Section does 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.

2.1.11 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 personnel representations, eSamiksha, preparation of Annual Report etc.

2.1.12 M&E Section deals with work relating 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; furnishing various information to DAC& FW and other Ministries for inclusion in their Publications etc.

2.1.13 P&I Section 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 provides 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.

2.1.14 The Integrated Finance Division (IFD)/Budget 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.

2.1.15 Vigilance Division 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.

2.1.16 DBT Cell: This Cell has been created in the Department of Fertilizers to deal with introduction of DBT in fertilizer subsidy payments. The Cell functions under the supervision of an Additional 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.

2.1.17 Promotion of City Compost policy -

Under the policy, a provision has been made for Market development assistance of Rs. 1500 per tonne of city compost for scaling up production and consumption of the product. Market development assistance would lower MRP of city compost for farmers. Compost from city garbage would not only provide carbon and primary / secondary nutrients to soil but also help in keeping the city clean. Eco-Mark standard for City Compost would ensure that environment friendly quality product reaches the farmers.

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.

2.1.18 The work of all the wings of Department of Fertilizers is headed by Secretary and supported by one Additional Secretary cum Financial Adviser, three Joint Secretaries and one Economic Adviser.

2.1.19 The names of Minister-in-charge and the officers upto the level of the Deputy Secretary who are working in the Department as on 01-12-2017 are mentioned in **Annexure-VI**.

Fertilizer Industry Coordination Committee (FICC)

2.1.20 Fertilizer Industry Coordination Committee was initially constituted w.e.f. 01.12.1977 to administer and operate the erstwhile Retention Price cum Subsidy Scheme (RPS). The office of Fertilizer Industry Coordination Committee is an attached office under the Department of Fertilizers headed by Executive Director.

2.1.21 FICC is responsible to evolve and review

periodically, the group concession rates including freight rates for units manufacturing urea, maintain accounts, make subsidy payments to the fertilizer companies, undertake costing and other technical functions and collect & analyse production data, costs and other information.

2.1.22 The Secretaries to the Government of India in various Department i.e. Fertilizers, Industrial Policy and Promotion, Agriculture and Cooperation, Expenditure, Ministry of Petroleum & Natural Gas, Chairman, Tariff Commission and two representatives of the urea industry are members of FICC.

CHAPTER - 3

DEVELOPMENT AND GROWTH OF FERTILIZER INDUSTRY

CAPACITY BUILD-UP

Production of Major Fertilizers

3.1.1 The production of Urea during the year 2016-17 was 242.01 LMT and the production of DAP & Complex fertilizers were 123.31 LMT. The estimated production of Urea during 2017-18 would be 242.51 LMT, which is more than to previous year and the estimated production of DAP &

Complex fertilizers would be 140.74 LMT, representing a growth rate of approximately 14 % in comparison with previous year.

The sector-wise production of Urea, DAP and Complex fertilizers during 2016-17 and estimated production during 2017-18 are given in the table below:-

(Fig. in LMT)

| S. No | Sector | 2016-17 | | | 2017 -18 (Estimated) | | |
|--------------|--------------------|---------------|--------------|---------------------|----------------------|--------------|---------------------|
| | | Urea | DAP | Complex fertilizers | Urea | DAP | Complex fertilizers |
| 1. | Public Sector | 71.41 | - | 11.72 | 69.71 | - | 13.10 |
| 2. | Cooperative Sector | 66.81 | 17.87 | 23. 50 | 64.00 | 19.84 | 20.62 |
| 3. | Private Sector | 103.79 | 25.78 | 44. 44 | 108 .80 | 30.52 | 56.66 |
| Total | | 242.01 | 43.65 | 79. 66 | 242.51 | 50.36 | 90.38 |

3.2 Joint Ventures abroad

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.

3.3 Joint Ventures Projects

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 2016-17, no joint venture with any country was signed by this Department but a number of major developments took place with the following Countries:-

3.3.1 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 MOU which has considerable changes as compared to the MOU shared by Indian side. The same is under examination.

3.3.2 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) Further, Commercial Negotiation Committee has already had a round of discussion with the Malaysian side and further correspondences with them are on. There has been general agreement on various terms and conditions except the formula for determining prices. A revised proposal has been sent to Malaysian side recently in this regard. Their response is awaited.

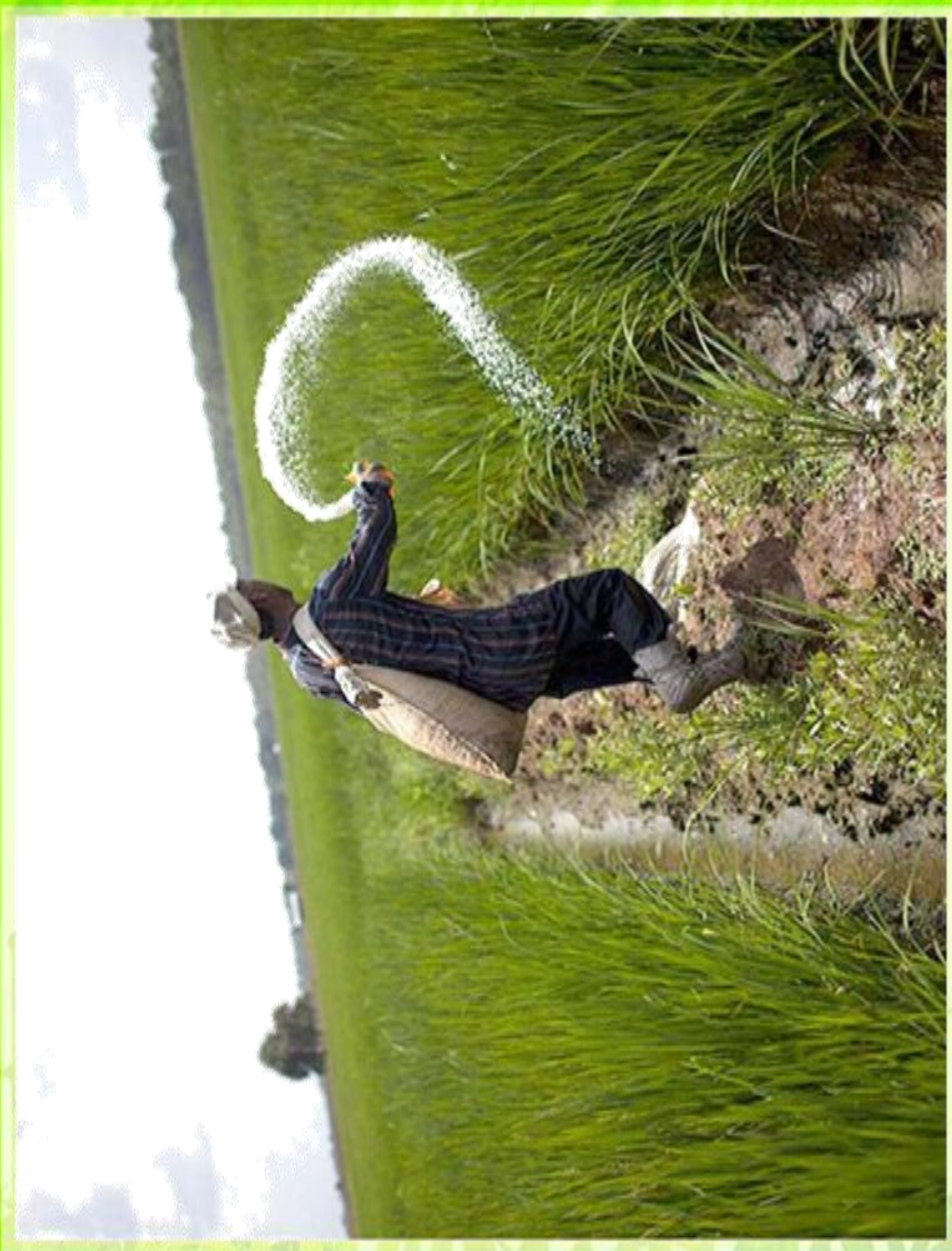
3.3.3 Iran:

- (i) The RCF-GSFC delegation visited Tehran from 6th till 9th November, 2016 to discuss setting up of Urea-Ammonia plant in Chabahar Free Trade Zone. The delegation had a meeting with five potential JV partners. Among five parties, at prima

facie, only two parties i.e M/s Tadbir Energy Development Company and M/s Pasargad Energy Development Company (PEDC) was found interested in proposed JV. Delegation met National Iranian Gas Company (NIGC) for agreement on gas price and availability and also discussed with Negin Mokran Development Company (NMDC) for port infrastructure and utilities cost.

- (ii) Further, a meeting was held under the chairpersonship of Secretary (Fert) on 24.01.2017 to discuss the issue. Joint Secretary (WA) mentioned that with current change in the United States political scenario, we must have to wait for some time before taking any further decision. It was also decided that RCF/GSFC would update DOF on the developments once MEA clarifies their stand on Iran including possibility of funding the project.

Talks are also being held with countries like Iraq, Belarus, Saudi Arabia, Qatar etc. regarding Joint Venture possibilities and Long Term Offtake Agreement.



CHAPTER - 4

AVAILABILITY AND MOVEMENT OF MAJOR FERTILIZERS DURING 2017 (upto Dec.' 2017)

4.1 The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Co-operation & 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.

4.2 Urea

4.2.1 The availability of urea remained satisfactory throughout the seasons of Kharif 2017 and Rabi 2017-18 (upto Dec.'17).

4.2.2 Kharif 2017: The assessed requirement of Urea for Kharif 2017 was 144.24 LMT (without reserve allocation). The season started with an opening stock of 13.39 LMT (as on 01.04.2017) with states. Efficient movement and timely import of Urea helped in ensuring adequate availability in all the States throughout the season. The overall availability of urea was 161.52 LMT. The sales were 147.41 LMT during Kharif 2017.

4.2.3 Rabi 2017-18 (upto Nov.'18): The assessed requirement of Urea for Rabi 2017-18 (upto Dec.'17) was 94.30 LMT and for the complete season of Rabi 2017-18 is 154.30 LMT. The season started with an opening stock of 11.13 LMT (as on 1.10.2017) with states.

Efficient movement and timely import of Urea helped in ensuring adequate availability in all the States throughout the season. The overall availability of urea was 96.23LMT. The sales were 86.13LMT during Rabi 2017-18 (upto Dec.'17).

4.3 DAP

4.3.1 The availability of DAP remained satisfactory throughout the seasons of Kharif 2017 and Rabi 2017-18(upto Dec.'17).

4.3.2 Kharif 2017: The assessed requirement of DAP for Kharif 2017 was 47.91 LMT. The season started with an opening stock of 5.79 LMT. Efficient movement and timely import of DAP helped in ensuring adequate availability in all the States throughout the season. The overall availability of DAP was 54.65 LMT. The sales were 33.76LMT during Kharif 2017.

4.3.3 Rabi 2017-18 (upto Dec.'17): The assessed requirement of DAP for Rabi 2017-18 (upto Dec.'17) was 36.79LMT and for the complete season of Rabi 2017-18 is 50.83 LMT. The season started with an opening stock of 9.91LMT (as on 1.10.2017)with states. Efficient movement and timely import of DAP helped in ensuring adequate

availability in all the States throughout the season. The availability of DAP with the States was 37.94LMT. The sales were only 32.74LMT during Rabi 2017-18 (upto Dec.'17).

4.4 NPK

4.4.1 The availability of NPK remained satisfactory throughout the seasons of Kharif 2017 and Rabi 2017-18 (upto Dec.'17).

4.4.2 Kharif 2017: The assessed requirement of NPK for Kharif 2017 was 47.73 LMT. The season started with an opening stock of 6.67 LMT (as on 01.04.2017)with states. Efficient movement and timely import of NPK helped in ensuring adequate availability in all the States throughout the season. The overall availability of NPK was 52.01LMT was available with the States. The sales were 40.98 LMT during Kharif 2017.

4.4.3 Rabi 2017-18 (upto Dec.'17): The assessed requirement of NPK for Rabi 2017-18 (upto Dec.'17) was 28.06 LMT and for the complete season of Rabi 2017-18 is 50.46 LMT. The season started with an opening stock of 9.71LMT (as on 1.10.2017)with states. Efficient movement and timely import of NPK helped in ensuring adequate availability in all the States throughout the

season. The overall availability of NPK with the States was 36.48LMT. The sales were only 23.55 LMT during Rabi 2017-18 (upto Dec.'17).

4.5 MOP

4.5.1 The availability of MOP remained satisfactory throughout the seasons of Kharif 2017 and Rabi 2017-18 (upto Dec.'17).

4.5.2 Kharif 2017: The assessed requirement of MOP for Kharif 2017 was 17.19 LMT. The season started with an opening stock of 0.78 LMT (as on 01.04.2017) with states. Efficient movement and timely import of MOP helped in ensuring adequate availability in all the States throughout the season.

The overall availability of MOP 20.20LMT was available with the States. The sales were only 17.64 LMT during Kharif 2017.

4.5.3 Rabi 2017-18 (upto Dec.'17): The assessed requirement of MOP for Rabi 2017-18 (upto Dec.'17) was 10.05 LMT and for the complete season of Rabi 2017-18 is 16.70 LMT. The season started with an opening stock of 2.17LMT (as on 1.10.2017) with states. Efficient movement and timely import of MOP helped in ensuring adequate availability in all the States throughout the season. The availability of MOP with the States was 11.51LMT. The sales were only 8.29LMT during Rabi 2017-18 (upto Dec.'17).



CHAPTER - 5

PLAN PERFORMANCE

5.1 Budget of Department

The Department of Fertilizers deals with disbursal 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 2017-18 vis-à-vis 2016-17 in respect of Urea Subsidy Scheme and Nutrient Based Subsidy Policy are as under:-

(Rs. in Crore)

| Scheme | Budget Estimates for 2016-17 | Budget Estimates for 2017-18 |
|--|------------------------------|------------------------------|
| Secretariat Expenditure | 29.31 | 32.66 |
| NBS Policy | | |
| Indigenous P&K | 12000.00 | 12317.00 |
| Imported P&K | 6999.99 | 7900.00 |
| City Compost | 0.01 | 15.00 |
| Total Allocation for NBS Policy | 19000.00 | 20232.00 |
| Urea Subsidy | | |
| Indigenous Urea | 38000.00 | 37000.00 |
| Freight Subsidy | 2000.00 | 3000.00 |
| Imported Urea | 15100.00 | 14000.00 |
| Total Allocation for Urea Subsidy | 55100.00 | 54000.00 |
| Total Subsidy Allocation(Gross) | 74100.00 | 74232.00 |
| Recovery received from sale of Imported Urea | 4100.00 | 4232.00 |
| Total Subsidy Allocation(Net) | 70000.00 | 70000.00 |

5.2 Internal & Extra Budgetary Resources (IEBR)

The Internal & Extra Budgetary

Resources (IEBR) generated by five profit making fertilizer CPSEs for 2016-17 and 2017-18 i.e. Rashtriya Chemicals

Department of Fertilizers

& Fertilizers limited (RCF), National Fertilizers Limited (NFL), FCI Aravali Gypsum & Minerals India Limited (FAGMIL), Brahmaputra Valley

Fertilizer Corporation Limited and Projects & Development India Limited (PDIL) are as under:-

(Rs. in crore)

| Sl No. | Name of CPSE | Actuals 2016-17 | BE 2017-18 | RE 2017-18 |
|--------|--------------|-----------------|------------|------------|
| 1 | RCF | 1507.33 | 2041.77 | 1976.36 |
| 2 | NFL | 212.83 | 871.85 | 356.77 |
| 3 | FAGMIL | 0.56 | 25.80 | 1.75 |
| 4 | BVFCL | 43.11 | 56.99 | 19.62 |
| 5 | PDIL | 0.96 | 7.50 | 6.00 |

CHAPTER - 6

MEASURES OF SUPPORT FOR FERTILIZER

6.1 At present, there are 31 urea manufacturing units in our country, out of which 28 urea units use Natural Gas (either domestic gas / LNG or both / CBM) as feedstock and fuel and remaining 3 urea units use Naphtha as feedstock and fuel. The details of feed stock used and re-assessed capacity are placed at **Annexure VIII**.

6.2 New Urea Policy-2015

6.2.1 The Government of India has notified the New Urea Policy (NUP) - 2015 on 25th May, 2015 (**Annexure IX**) for existing 25 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. On the basis of actual energy consumption and pre-set norms, the units have been divided into three groups and revised energy consumption norms have been fixed for next three financial years and target energy norm

have been fixed for 2018-19. It will drive urea units to select better technology and different measure to reduce energy consumption. The government has also issued revised energy norms under New Urea Policy 2015 for existing 25 gas based urea plants in the country. The copy of said notification is placed at **Annexure-X**.

6.2.2 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 as per provisions of New Urea Policy-2015. For production beyond RAC, the units are entitled for their respective variable cost applicable up to RAC and a uniform per MT incentive equal to the lowest of the per MT fixed cost of all the indigenous urea units subject to Import Parity Price (IPP) plus weighted average of other incidental charges which the government incurs on the imported urea. 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 and Modified NPS-III.

6.2.3 Five units namely MFL-Manali, MCFL-Mangalore, SPIC-Tuticorn, 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. As per NUP 2015, Namrup-II and Namrup-III units of BVFCL are proposed to be closed and a new high efficiency unit is proposed to be installed, which will be dealt separately under their restructuring proposal. Till then, these two units will function under the provisions of Modified NPS-III.

6.2.4 A further amendment was incorporated for production of urea beyond RAC during 2016-17 such that units were entitled for 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 IPP, other incidental charges which the Government incurs on the import of urea and weighted average of Central Government levies of urea paid by the urea manufacturing units. The copy of said amendment is placed at **Annexure XI**.

6.3 Requirement and availability of gas to fertilizer (urea) sector

Ministry of Petroleum & Natural Gas has notified Pooling of Gas for Fertilizers (Urea) Sector vide its Notification dated 20th May, 2015 (read with 29th May, 2015) which, inter alia, includes that "the domestic gas will be pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants for the purpose of manufacturing of Urea". With the introduction of gas pooling mechanism, 25 gas based urea units are getting gas at uniform rate irrespective of the gas allocation to the unit. The provisions of gas pooling has ensured that RLNG is supplied to urea units at competitive price and urea units are incentivized to maximize their production beyond RAC because of simplified subsidy calculation parameters under New Urea Policyth (NUP) 2015, which was notified on 25 May, 2015 by the Department of Fertilizers. It also envisages the constitution of Empowered Pool Management Committee (EPMC) to monitor implementation of gas pooling and procurement of RLNG through a competitive and transparent manner.

6.4 Naphtha based urea units

6.4.1 Based on the decision of the CCEA, vide notification dated 17th June, 2015 (**Annexure XII**), Department of Fertilizers has allowed the continuation of production of urea from the three naphtha based urea units, i.e. Madras Fertilizers Limited- Manali, Southern Petrochemicals Industries Corporation (SPIC) - Tuticorin and Mangalore Chemicals & Fertilizers Limited (MCFL) with Naphtha as feedstock till these plants get assured supply of gas either by pipeline or by any other means, as per the following conditions:

- (i) These units are 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 are 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 are determined in accordance with existing provisions of NPS III and Modified NPS III.

6.5 New Investment Policy-2012

6.5.1 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-XIII** and **Annexure-XIV**.

6.5.2 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 with the installed capacity of 1.3 MMT per annum. The commercial production of Matix has started on 1st October, 2017. Chambal Fertilizers & Chemicals Limited (CFCL)

has also proposed to set up a brownfield project with capacity of 1.34 MMT at Gadepan, Rajasthan, which is likely to start commercial production in January, 2019.

6.6 MRP of Urea

6.6.1 The MRP of urea is statutorily fixed by the Government of India and at present it is Rs. 5360/- per MT (exclusive of the Central/State Taxes). MRP includes the following:

- (i) Rs. 180/MT for dealer margin for private traders/PSUs and Rs. 200/MT in case of Co-operatives.
- (ii) Rs. 50/MT is paid to retailers for acknowledging the receipt and reporting the stock in mFMS as additional incentive.

6.6.2 An extra MRP of 5 % (of Rs. 5360/- per MT) is charged by fertilizer manufacturing entities on Neem Coated Urea. Further, the Government of Uttar Pradesh levies Additional VAT on natural gas used by urea plants situated in these states. Impact of this additional VAT is calculated per MT of urea on the quantity of urea sold in UP and is recovered from the farmers of UP by charging Rs 600/- per MT. The details of Maximum Retail Price (MRP) of urea from 1991-92 onwards is placed at

Annexure-XV.

6.7 Payment of subsidy

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.

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 XVI**), 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 XVII**), 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 XVIII**) 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.

6.8.4 Introduction of 45 Kg bag instead of 50 Kg in urea as a follow up to Neem Coating:

Mandatory coating of indigenous / imported urea has been well received by the farmers. Due to its slow release of Nitrogen, the Nitrogen Use Efficiency (NUE) of Neem Coated Urea increases resulting in reduced consumption of NCU as compared to Normal urea. Since farmers mostly assess the requirement of urea in terms of bags for agricultural purpose, vide notification dated 4th September, 2017 (**Annexure XIX**), Government of India has decided to introduce 45 kg bag of urea in place of existing 50 kg bag and a period of six months have been given to urea units as lead time to ensure smooth implementation of the policy. However, MRP of such bag will be notified by Ministry of Agriculture & Farmers Welfare

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

- 6.9.1** 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-imbursement 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).

6.9.2 Based on the recommendations of the Tariff Commission and the composite Road Freight Index provided by FICC, the slab-wise rates in respect of primary road movement for the year 2008-09 and escalated/de-escalated upto financial year 2014-15, has also been notified vide Department of Fertilizer's notification dated 17th June, 2016 (**Annexure -XX**). Further, vide notification dated 4th September, 2017 (**Annexure -XXI**), this

department has notified the slab-wise rates in respect of primary road movement for the financial year 2015-16.

6.9.3 Vide Notification dated 1st September, 2011, Department of Fertilizers had issued Normative Per tonne per Km Transportation Rates for the year 2007-08, 2008-09 and 2009-10 based on recommendations made by Tariff Commission in the case of secondary movement of fertilizers from unloading rake point to retail point. Further, vide Notification dated 18th March, 2014 read with corrigendum dated 1st April, 2014, this department had notified the PTPK rates for the years 2010-11 and 2011-12. The escalated/de-escalated PTPK rates for the year 2012-13 and 2013-14 has been notified vide notification dated 18th September, 2014. Subsequently, vide notification dated 4th September, 2017 (**Annexure -XXII**), the escalated/de-escalated PTPK rates for the year 2014-15 and 2015-16 has also been notified by the department.

6.10 Recovery of the incidence of non-reimbursable input taxation levied by State Governments from time to time in subsidy regime

6.10.1 As per the New Pricing Scheme (NPS) - III for urea units, the additional VAT was not considered for reimbursement to the

urea units during the subsidy reimbursement. However, the urea units in Uttar Pradesh (UP) and Gujarat have paid the additional VAT in spite of the fact that there is no provision for reimbursement of additional VAT levied by State Government in NPS-III. To resolve this issue, the Department of Fertilizers had issued the notification dated 29th March, 2011 and 31st March, 2011 regarding recovery of incidence of non-reimbursable input taxation levied by the aforesaid State Governments from time to time in the urea subsidy regime.

The additional levy recovered over and above MRP of urea was Rs 600/- per MT in respect of the state of Uttar Pradesh and 420/- per MT for state of Gujarat for the year 2017-18 effective from 28th May, 2017. However, vide Gujarat Government notification dated 9th June, 2017, Additional VAT has been withdrawn w.e.f 1st July, 2017 by Government of Gujarat. Consequently, all urea manufacturers are not required to pay any additional VAT on input in Gujarat. In view of the above, vide notification dated 31st August, 2017, all urea manufacturers/traders/importers have been advised not to recover additional cost due to additional VAT on

inputs over and above MRP of urea form the farmers in state of Gujarat.

6.11 IMPLEMENTATION OF DBT IN FERTILIZER SUBSIDY

6.11.1 The Department of Fertilizers is implementing Direct Benefit Transfer (DBT) system on a pilot basis with effect from October, 2016. Under the proposed fertilizer DBT system, 100% subsidy on various fertilizer grades shall be 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 will be made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries will be identified through Aadhaar Card, KCC, Voter Identity Card etc. Provision has been made to link the Soil Health Card data with DBT in fertilizers, to facilitate recommendation of appropriate mix of fertilizers compatible with the soil health profile of the agricultural land held by the beneficiary. This would ensure optimal use of nutrients by the farmer.

6.11.2 Progress made in DBT

1. The Pilot DBT in fertilizers is being implemented in 19 districts. Out of the 19 pilot districts, 17 districts are on live run. The status of pilot is enclosed at **Annexure XXIII.**

2. The Pilot is at advance stage in most of the districts and based on our implementation experience, the Department has drawn up an action plan to expand fertilizer sales through PoS devices across the country. At present 25 states / UTs are on live run. The proposed phase wise roll out of DBT is at **Annexure XXIV**.
3. A DBT PMU has been created at DoF to coordinate with NIC, State Departments, LFS to monitor all activities pertaining to pilot DBT implementation and Pan-India rollout activities. 14 district consultants have been appointed to monitor the pilot DBT activities.
4. Letters were issued by Secretary (F) on 5th April, 2017 to Chief Secretaries of all States to appoint State Nodal Officers to coordinate the preparatory work required for nationwide rollout of DBT viz., deployment of PoS machines, training of retailers and stock updation in the PoS devices issued to retailers . In addition, regular communication is being sent to State Governments, fertilizer Companies and other stakeholders informing the key decisions of DoF from time to time.
5. Training programs and workshops are being conducted by DoF, from time to time for all stakeholders i.e. LFS, State & District Agriculture Departments, District Collectors etc. to bring all stakeholders on board in a time bound manner (Collectors conference dated 7.9.2016, training of master trainers on 6.10.2016, workshop dated 2.2.2017). In addition, the Release Order Module training sessions have been conducted during 21-23 June, 2017.
6. To coordinate with the State Governments, LFS, DoF has appointed 24 State DBT Coordinators. The coordinators, in close association with the State Governments, LFS and DoF, are monitoring the deployment of PoS and training to retailers besides resolving problems relating to software, recording of fertilizer stocks, connectivity issues.
7. A notification under Section 7 of Aadhaar Act has been issued on 13th June 2017 finalized in consultation with UIDAI and Dept. of Legal Affairs.
8. To review progress of development of software applications relating to DBT implementation, deployment of PoS devices across the country, regular review meetings are being conducted with NIC, fertilizer companies and PoS vendors at the level of Secretary (Fertilizers) and AS(F).

9. A Release Order module has been launched on 17.05.2017 in the existing iFMS application, to track the movement of fertilizers on a real time basis, along the plant/port-district-wholesaler-retailer chain.
10. To address the internet connectivity issues while operating PoS, multiple options for internet connectivity, viz. SIM, LAN, WiFi have been enabled by the PoS vendors in the new devices being deployed across the country. In addition, the vendors have been asked to provide the multi-modal internet facility to the devices already installed in the Pilot Districts.
11. A dedicated 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.
12. Efforts to implement DBT in North East are in full swing. A customized PoS software (variant of version 2.4) has been installed in J&K, Assam and Meghalaya (Aadhaar exempted States) to enable sale of fertilizers on the basis of KCC/voter ID.
13. Across the country, LFS has conducted 4630 training sessions till date, as a part of ongoing PoS deployment and as a precursor to nation-wide roll out of DBT. Approximately 1.8 lakh retailers (approx.) were sensitized during the introductory training sessions conducted by LFS. 89% of PoS devices have been deployed across the country. Details at **Annexure XXV**.

6.11.3 Benefits & Expected outcomes

- i. The proposed DBT framework is a beneficiary driven subsidy payment mechanism being initiated at national level.
- ii. It creates Aadhaar seeded data base of beneficiaries and provides transaction visibility at the level of buyers.
- iii. By linking the actual sales to subsidy payments, DBT facilitates a more transparent and faster tracking of funds along the value chain i.e. from manufacturers to beneficiaries.
- iv. Linking of Soil Health Card Data with DBT, would lead to optimal use of nutrients and subsidy savings.
- v. Setting up a PoS device at 2 lakh retailers (approx) will create a channel

which will provide unlimited opportunities for the Government to reach out to Rural India. This could become service delivery channel for other ministries as well. Digitizing transactions will create purchase history of farmers / buyers, which

can be used by Financial Institutions to provide credit to farmers based on transaction history at retail outlets. The data also helps to understand the consumption patterns of buyers & can be used as a Key decision making tool.



WORKSHOP & TRAINING PROGRAMMES ON DBT



POS DEPLOYMENT AND TRAINING PROGRAMME

SUBSIDY POLICY FOR DECONTROLLED PHOSPHATIC & POTASSIC (P&K) FERTILIZERS:

6.12 Background:

6.12.1 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 Govt. policy to sustain agricultural productivity which in turn plays critical role in ensuring the food security and in promoting rural livelihood and employment.

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

6.13.1 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.

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

6.13.3 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.

6.13.4 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.

6.13.5 An Inter-Ministerial Committee (IMC) has been constituted with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives of Department of Agriculture & Co-operation (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.

6.13.6 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)".

6.13.7 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.

6.13.8 In addition to NBS, freight for the movement and distribution of the decontrolled fertilizers by rail and road is being provided to enable wider availability of fertilizers even in the remotest places in the country.

6.13.9 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.

6.13.10 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.

6.13.11 Manufacturers of customized fertilizers and mixture fertilizers have been permitted to source subsidized fertilizers from the manufacturers/ importers after their receipt in the districts as inputs for manufacturing customized fertilizers and mixture fertilizers for agricultural purpose. However, no separate subsidy is provided on sale of customized fertilizers and mixture fertilizers.

6.13.12 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.

6.13.13 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.

6.14 Procedure for Payment of subsidy under NBS:

6.14.1 P&K Fertilizers except SSP : 85% (90% with Bank Guarantee) of the subsidy claims of fertilizer companies is paid as 'on account' payment on receipt of fertilizers in the district on certification by the Company's Statutory Auditor. The balance 15-10% is released on State government's certification of quantity in m-FMS and fertilizer receipt confirmation by retail dealers through mobile Fertilizer Monitoring System (m-FMS).

6.14.2 SSP: 85% (90% with Bank Guarantee) of the claim of subsidy is paid as 'on account' payment on 1st point sale of fertilizers in the districts on certification by the Company's Statutory Auditor. The balance 10-15% claim is released subject to State Government's certification on quantity and quality in m-FMS as well as fertilizer receipt confirmation by retail dealers through m-FMS.

6.15 Per Kg and Per Metric Tonne subsidy rates under NBS Policy:

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 2017-18 as under:

| NBS rates (Rs. Per Kg.) | | | |
|-------------------------|---------|---------|---------|
| Nutrients | 2015-16 | 2016-17 | 2017-18 |
| 'N' (Nitrogen) | 20.875 | 15.854 | 18.989 |
| 'P' (Phosphate) | 18.679 | 13.241 | 11.997 |
| 'K' (Potash) | 15.500 | 15.470 | 12.395 |
| 'S' (Sulphur) | 1.677 | 2.044 | 2.240 |

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

** Excluding the secondary freight of Rs 300 PMT.

The Per MT subsidy on different grade of P&K fertilizers covered under the NBS Policy from the financial years 2010-11 to 2017-18 is given in the **Annexure XXVI**.

6.16 Subsidy for fortified fertilizers:

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 2017-18 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 |

6.17 Additional subsidy on complex fertilizers produced using costly feedstock

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:

| Name of the company | Grades of Fertilizers | Rates (Rs/MT) of additional compensation (Provisional) |
|---------------------|-----------------------|--|
| 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 |

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

6.18 Freight subsidy Policy

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

- 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 fertilizers (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.

6.19 Prices (MRP) of P&K fertilizers under NBS regime:

6.19.1 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.

6.19.2 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 perhaps due 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:

(in Rs. crore)

| Year | Subsidy on P&K fertilizers | Subsidy Regime for P&K fertilizers | Subsidy on urea fertilizers | Subsidy Regime for urea fertilizers | Total |
|--------------|----------------------------|------------------------------------|-----------------------------|-------------------------------------|----------|
| 2010-11 | 41500.00 | NBS regime | 24336.68 | | 65836.68 |
| 2011-12 | 36107.94 | | 37683.00 | | 73790.94 |
| 2012-13 | 30576.10 | | 40016.00 | | 70592.10 |
| 2013-14 | 29426.86 | | 41853.30 | | 71280.16 |
| 2014-15 | 20667.30 | | 52400.01 | | 73067.31 |
| 2015-16 | 21937.56 | | 52400.00 | | 74337.56 |
| 2016-17 | 19000.01 | | 51256.59 | | 70099.46 |
| 2017-18 (BE) | 20100.01 | | 33252.67 | | 50786.08 |

*(as on November, 2017)

6.20 Quality of Fertilizers:

6.20.1 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.

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.

6.20.2 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.

6.20.3 The Department of Fertilizers has taken various preventive measures to ensure quality of SSP which has always been an issue. The some of the 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 grade 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.
- There is separate payment procedure for SSP. Full payment of subsidy is made only after State Government certifies the quality of SSP sold in the States.



CHAPTER - 7

PUBLIC SECTOR UNDERTAKINGS

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED (BVFCL)

7.1.1 Overview

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) was incorporated on 5th April 2002 after demerger 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 other establishments of the company are Liaison Offices at NOIDA & Kolkata and Marketing Offices at Guwahati,

Siliguri & Patna.

The authorized share capital and paid up capital of the company as on 31.03.2017 were Rs. 510 Crores and Rs. 365.83 Crores respectively.

7.1.2 Vision / Mission

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

7.1.3 Industrial/Business Operations (Previous Year & Current Year projections)

(i) Physical Performance (against capacity):

| Production | Installed Capacity (MT/Annum) | 2016-17 (Previous Year) | | 2017-18 (Current Year) | | |
|-------------------|-------------------------------|-------------------------|--------------------------|----------------------------------|------------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilisation (%) | Production up to Sept. 2017 (MT) | Projections for 2017-18 (MT) | Projected Capacity Utilisation (%) |
| Urea (Namrup-II) | 120000* | 60162 | 50.14 | 24228 | 65231 | 54.36 |
| Urea (Namrup-III) | 270000 | 250443 | 92.76 | 89813 | 216813 | 80.30 |
| | 390000 | 310605 | 79.64 | 114041 | 282044 | 72.32 |

* Due to non-availability of NG beyond the contracted volume, only one stream of Urea Plant is being run.

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

| Marketing | Sales during 2016-17 | Sales up to Sept. 2017 | Sales Projection for 2017-18 |
|-----------------------------------|----------------------|------------------------|------------------------------|
| Urea (Total from Namrup-II & III) | 297641 MT | 108979.75 MT | 282041 MT |

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

(ii) Financial performance

| | | (Rs. Crore) | |
|-------------------------|----------------------|--------------------------------------|---------------------|
| Parameter | For the year 2016-17 | 2017-18 up to Sept.'17 (Provisional) | 2017-18 (Projected) |
| Total Income | 462.74 | 187.45 | 462.92 |
| Profit before Tax (+/-) | 7.50 | (-) 10.41 | (-) 16.26 |
| Net Profit (+/-) | 7.50 | (-) 10.41 | (-) 16.26 |
| Net Worth | 100.50 | 90.09 | 84.24 |

(iii) Physical performance

(MT)

| Product | For the year 2016-17 | Actual for 2017-18 up to Sep.'17 | 2017-18 (MoU Projected) |
|---------------------|----------------------|----------------------------------|-------------------------|
| Urea – Namrup-II | 60162 | 24228 | 80000 |
| Urea – Namrup-III | 250443 | 89813 | 270000 |
| Urea – Total | 310605 | 114041 | 350000 |

7.1.4 Performance Highlights:

(I) Previous Year & Current Year

Both the Namrup-II and Namrup-III plants ran through quite a few hindrances during the year 2016-17. The Namrup-II plant suffered production loss for 88 days (mid June to early Sept, 2016) due to feed gas limitation. M/s OIL restricted supply at average below 1.5 MMSCMD during the period, which forced the Namrup-II plant out of operation line. The rest of period, with NG supply at average 1.6 MMSCMD against a total requirement of 1.95 MMSCMD the company could operate Namrup-II at only 50% of the capacity.

Namrup-III plant suffered major break down of equipments viz. failure of Process Air Compressor and NG Booster Compressor of Ammonia Plant which caused loss of about 30,000 MT of urea production over a period of 40 stream days in Sept-Oct. 2016.

Moreover, both the plants experienced quite a few other interruptions from breakdowns of equipments/machines which outlived their productive lives. The Company complied with the Govt directives for mandator y 100% production of Neem coated urea. The Neem Coated Urea has received high acceptance among the farmers considering its benefits on soil fertility/conservation, higher yield pest control. The GoI is compensating the Cost of coating by allowing sale of NCU at 5% above MRP of plain Urea.

There has been overall downfall in performance of both Namrup-II and Namrup-III Plants during the year 2016-17 compared to previous year's performance as stated below:

- BVFCL has produced 3,10,605 MT of Urea during the year with 60,162 MT from Namrup-II and 2,50,443 MT from Namrup-III Plants respectively. The average estimated specific energy consumption for the year was 17.60 Gcal/MT and 11.20 Gcal/MT of urea for Namrup-II and Namrup-III Plants respectively.
- Ammonia and urea plants in Namrup-III recorded a production of 1,45,935 MT and 2,50,443 MT in the year 2016-17 compared to 1,42,577 MT and 2,56,368

MT respectively in 2015-16. Average plant load during the year in Namrup-III was 92.76%.

- Ammonia production was 50,539 MT in Namrup-II during the year while Urea production was 60,162 MT.
- Ammonia and urea plants of Namrup-III recorded stream days of 284.44 days and 278.97 days respectively during the year.
- Ammonia and urea plants of Namrup-II recorded stream days of 211.25 days and 189.06 days respectively during the year.

BVFCL Namrup, due to its geographical location and lower cost of production, has potential for export of urea to neighbouring countries. In the earlier years permission to export urea to Nepal at Import Parity Price (IPP) was given with profits sharing with GoI by which the company could augment its revenue substantially. In the year 2016-17, permission for export of 30,000 MT of urea to Nepal was received towards end of the year and only 7,500 MT of urea could be exported in March 2017. Remaining part of the export commitment will be fulfilled in 2017-18. The company also produced 18.45 MT of bio-fertilizer and 68.423 MT of Vermi Compost during the year 2016-17.

(II) New Investments & Projects

BVFCL has been incurring financial losses since inception due to low capacity utilization & high energy consumption. The plants were 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 on nomination basis to PSU only. M/s Rashtriya Chemical & Fertilizers Ltd. has expressed willingness to acquire 52% equity of the proposed Namrup-IV project. A Draft Cabinet Note with above changes is under process at the DoF. Revised TEFR is under finalization and feedstock linkage with confirmation of availability of the enhanced feed (NG) from Ministry of P & NG is being firmed up. The new proposal is expected shortly for further consultation and submission to the Cabinet. With the establishment of the new Brownfield plant the Fertilizer Complex at Namrup, which made its humble beginning in early 60s at one of most logistically challenged locations of the North East is expected to see a new lease of life.

7.1.5 Human Resource Management

A. Manpower as on 01.11.2017

| Group | Total Employees | Number of Employees belonging to | | | | |
|-------|-----------------|----------------------------------|----|-----|------|-------|
| | | SC | ST | OBC | P.Hs | Women |
| A | 307 | 28 | 25 | 86 | - | 16 |
| B | 208 | 12 | 41 | 77 | - | 10 |
| C | 92 | 8 | 14 | 28 | - | 6 |
| D | 8 | 4 | - | 1 | - | 3 |
| Total | 615 | 52 | 80 | 192 | - | 35 |

B. Public Grievances redressal and Welfare Measures

(a) Welfare of SCs & STs

The matter of employment of persons belonging to SC/ST & other backward classes is taken care of at the time of recruitment and promotions. Reservation policy has been followed as per Government guidelines. Out of total employee's strength of 615 as on 31.10.2017, there are 82 officers and 50 workmen in SC/STs category on the rolls of the Company.

(b) Recruitment and Training (during 2016-17 & up to Oct. 2017)

(i) Recruitment:

Recruitment at middle level & senior level Management has been a challenge for the company. However, 03 nos. professionals have joined and 33 nos. Management Trainees have been regularized in the company in 2016-17

and 12 nos. Management Trainees have been regularized during 2016-17.

(ii) Training:

Training programmes for upgrading technical knowledge & skill and Behavioral & Managerial skills were conducted during the year 2016-17. 10 Nos. internal training programmes / seminars/workshops were organized at Namrup for 262 mandays and 13 employees received external training during the year 2016-17.

(c) Information on activities and achievements. This should cover Public/Staff grievance redress machinery and status of grievances of company and its field agencies / unit / attached office.

There is an Employees Grievance Redressal Committee in BVFCL Namrup chaired by a person in the level of General Manager, with the representatives of both the recognized unions and Joint Council of Officers in the committee as members. Aggrieved employees submit the grievances to the Coordinator of the Committee. Thereafter all the grievances are examined and put up to the Chairman of the Committee for redressal of the grievances.

Grievances of Customer /dealership of our product (Urea) are handled by the Marketing Department. No grievances / complaints have been received so far during 2016-2017 and so far during 2017-18.

(d) Employment of SC/ST, Ex - servicemen, Physically Handicapped & Other Backward Classes (OBCs) persons in Public Sector Undertakings.

Employment of SC, ST, Ex-serviceman, Physically Handicapped & Other Backward Classes in BVFCL during 2016-17 are enclosed.

(e) Implementation of the National Policy for Persons with Disabilities. Financial allocation for various programmes and progress achieved in the programmes.

The recruitment of posts other than core technical disciplines and key positions in executive cadre are kept in abeyance due to poor financial condition of the company. However, efforts will be made for recruitment of the Persons with Disabilities in non-technical disciplines, as per reservation norms. (The company, being a Central PSU, has been following in recruitment and extending service benefits to the PWD as applicable under

the provision of the Act.)

Very recently, efforts were made to recruit persons with disabilities in non-technical disciplines as Management Trainee in the year 2015-16 through press advertisement but no such candidates are found suitable for the same.

Due to various financial constraints of the company, financial allocation to other programme is not becoming possible.

(f) Information relating to welfare of Minorities and reservation in dealership.

As per directives received from our Controlling Ministry regarding Prime Minister'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 community is also included in the Selection Committee for recruitment and promotion.

Recruitment of candidates from the Minority community has been emphasized and the Corporation has regularized 01 employee (joined as Management Trainee) from Minority community.

Status of recruitment of SC, ST, OBC, Minority, PWD, Ex Serviceman and

Women in BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD. during 2016-2017.

| Year | Recruitment Physically Handicapped | | | | Recruitment of Women | | | | Recruitment of SC/ST Group | | | | Recruitment of OBC Group | | | | Recruitment of Ex- Serviceman Group | | | | Recruitment of Minority Group | | | |
|---------|--|-----|-----|-----|-------------------------|---|---|---|----------------------------------|---------------|-------------------|---------------|--------------------------------|-----|-----|-----|--|-----|-----|-----|-------------------------------------|-----|-----|-----|
| | Group | | | | Group | | | | SC /S T | SC /S T | S C /S T | SC /S T | Group | | | | Group | | | | Group | | | |
| | A | B | C | D | A | B | C | D | A | B | C | D | A | B | C | D | A | B | C | D | A | B | C | D |
| 2016-17 | nil | nil | nil | nil | 6 | | | | 10 | nil/nil | nil/nil | nil/nil | 17 | nil | nil | nil | nil | nil | nil | nil | 1 | nil | nil | nil |

In dealership allotment for Urea (Product of BVFCL) applicants from Minority community are given equal privileges with others.

(g) Efforts and initiatives taken by the individual PSUs / Cooperative for the Welfare, Development and empowerment of women and for main-streaming gender issues.

BVFCL being a PSU, lays more emphasis for development of female employees without any gender discrimination. Recruitment of women candidates is made in the company (See Annexure-I).

As per the guidelines circulated by the National Commission for Women, a Complaints Committee under the Chairmanship of a lady officer is looking after the matter of sexual harassment of women employees at the workplace.

During 2016-17 (till date), no complaint has been received by the committee. There is no discrimination against any woman at any point of time. 6 Nos. women candidates (joined as Management Trainee) were regularized during the year.

7.1.6 CSR & Sustainable Development:

(I) Social Responsibility of Business

While the advertising and sales promotion activities are aimed at creating basic demand for fertilizers, promoting sales of BVFCL products, creating / maintaining brand image and brand loyalty through an integrated

marketing efforts, this alone is not sufficient to sustain brand loyalty. BVFCL's contribution to the social and economic development in its marketing territories would not only enhance the Corporate image of the company as an organization that cares for the community but would also create a favourable brand image and reinforce brand loyalty. In the long run, this will have a positive impact on the company resulting in further growth in sales volume.

BVFCL's activities in discharging its social responsibility fall into three categories:

1. Social Development Programmes.
2. Employee Welfare and Development Activities
3. Marketing Strategy related Farmer Development Activities.

(II) Social Development Programmes

These include the following

- (a) Special Welfare:** Company is maintaining a benevolent fund and it is operated to help the needy. A committee consisting of an equal number of workers and management representatives manages this fund. The main objective of this scheme is to undertake welfare activities and one time help to the

neighbourhood of the company.

(b) Grants for Financial Assistance:

These comprise -

- Assistance to Charities, Welfare and Health funds
- Assistance for educational Development
- Assistance for sports
- Assistance for Socio-Cultural Club / Institutions / & activities

(III) Employee welfare and development activities

The company voluntarily provides several facilities for the welfare and development of its employees in excess of its statutory obligations.

(IV) Distribution, promotion and publicity programmes

(i) Distribution:

Apart from Institutional Agencies of the states, private parties are also appointed as dealers for the widespread distribution of BVFCL's fertilizers. Care is taken to see that dealerships are given in most instances to the following target groups:

- Appointments under Entrepreneurship Development Scheme.
- Ex-Servicemen
- SC/ST Category

- Backward Classes
- Economically backward Sections
- Physically Handicapped persons
- War Widows
- Freedom fighters
- Women Entrepreneurs
- Educated Unemployed

(ii) Development and Promotional

Activities:

The programmes will be conducted in coordination with the Department of Agriculture and Agriculture University particularly with the Krishi Vigyan Kendras in the different districts. Core Programmes will include-

- Field demonstrations on bio fertilizer and balanced fertilizer
- Field days
- Kisan Melas
- Crop seminars and need based workshops
- Training Programmes for dealers
- Training Programmes for farmers
- Printing and distribution of technical literature, leaflets, crop folders etc.
- Soil testing.

7.1.7 Initiatives to Improve the Performance of the organisation:

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. The suggested measure 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 safely run.

In order to ensure the operation of the existing plants for another 3 to 4 years, problem leading to breakdown of the equipments has been identified and replacement/rectification are being taken-up progressively.



Guard of Honour to Shri Dharam Pal, IAS, Addl. Secretary by BVFCL CISF Unit



Celebration of Quami Ekta Week at BVFCL

THE FERTILIZERS AND CHEMICALS TRAVANCORE LIMITED (FACT)

7.2.1 Brief Overview of The Organization

The Fertilizers And Chemicals Travancore Limited (FACT) incorporated in the year 1943 is one of the first large scale fertilizer plants 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 Organization 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 Fertilizer 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, recognizing the need for developing indigenous capabilities for design and construction of Chemical and Fertilizer Plants, FACT established an Engineering & Consultancy wing christened FEDO (FACT Engineering & Design Organization). A Fabrication Division FEW (FACT Engineering Works) was also established in 1966.

Ammonia is a basic input for FACT's Fertilizers 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 for closure of Ammonia Storage facilities at Cochin Port 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. Consequently it was decided to shut down the Ammonia-Urea plants at Cochin Division.

Main products of FACT are:

| Product | Installed Capacity |
|-------------------------|---------------------|
| a. Factamfos (NP 20:20) | 633,500MT per annum |
| b. Ammonium Sulphate | 225,000MT per annum |
| c. Caprolactam | 50,000MT per annum |

7.2.2 Vision / Mission

FACT's vision is to be a significant player in Fertilizers, Petrochemicals and other businesses such as Engineering and Technology services

7.2.3 Industrial / Business Operation

During the year 2016-17 the Company

could improve its physical and financial performance as compared to the financial year 2015-16.

The turnover of the company for the year 2016-17 was Rs. 1941.77 crore against the previous year figure of 1780.08 crore. The financial results of the company for the year 2016-17 shows a net loss of Rs. 186.96 crore as compared to Rs. 452.19 crore during the year 2015-16.

Factamfos production for the year was 6,40,322 MT in comparison with 5,27,445 MT for the year 2015-16, showing a remarkable improvement of 1,12,877 MT.

In the case of Ammonium Sulphate, the production was 1,52,953 MT against the previous year figure of 79,567 MT, with an improvement of 73386 MT.

During the year 2016-17, company imported two fertilizer parcels (one parcel Factamfos 20:20:0:13 and one parcel MOP) for trading.

7.2.3.1 Physical performance (against Capacity)

| Production | Installed Capacity (MT/Annum) | 2016-17 (Previous year) | | 2017-18 (Current year) | | |
|-------------------|----------------------------------|----------------------------|---------------------------|-------------------------------|---------------------------------|-------------------------------------|
| | | Production (MT) | % Capacity Utilization | Production Up to Oct. 2017 | Projections for 2017-18 (MT) | % Projected Capacity Utilization |
| Ammonium Sulphate | 225000 | 152953 | 67.98 | 104909 | 154593 | 68.70 |
| Factamfos | 633500 | 640322 | 101 | 390982 | 658885 | 104 |
| Caprolactam | 50000 | 0 | 0 | 0 | 0 | 0 |

| Product | Sales during 2016 -17 | Sales during 2017 -18 (From April to October) | Sales plan for 2017-18 |
|----------------------|-----------------------|---|------------------------|
| FACTAMFOS 20:20:0:13 | 584501 | 362480 | 780000 |
| AMMONIUM SULPHATE | 134976 | 93589 | 200000 |
| NPK IMPORTED | 15216 | 6427 | 12000 |
| BULK GYPSUM | 486710 | 241620 | 450000 |
| TOTAL | 1221403 | 704116 | 1442000 |

7.2.3.2. Financial Performance

| | For 16 -17 | For the Year 2017-18 (From April'17 to Oct'17) | For the Year 2017-18 (From Nov'17 to Mar'18) | Projections for the Year 2017-18 |
|------------------------------|------------|--|--|----------------------------------|
| (Rs. in crore) | | | | |
| Net Sales/turnover | 1862.60 | 1109.66 | 851.98 | 1961.64 |
| Profit / Loss (-) before Tax | -186.96 | -77.44 | -121.51 | -198.96 |
| Profit / Loss (-) after Tax | -186.96 | -77.44 | -121.51 | -198.96 |

7.2.4 Performance Highlights

7.2.4.1. Previous Year & Current Year:

Previous Year

- During the year 2016-17, production of all fertilizers has improved as compared to last year.
- FACT achieved highest sale of fertilizers in past 8 years
- Implemented DBT in pilot districts.
- Completed fabrication of own barge for transportation of ammonia.

Current Year

- Earned marginal profit of Rs. 5.85 crore from operations during the second quarter.
- Entered into long term contract with BPCL for supply of sulphur.
- Quarterly production record in Sulphuric Acid production: July-September, 2017 (77842 MT).
- Record sale of Factamfos in august, 2017 (76076 MT) highest in 15 years).
- Record daily dispatch of Factamfos (2840 MT on 13-08-2017)
- Record daily production of Ammonium Sulphate (905 MT on 22-10-2017)

7.2.4.2. New Investment / Project

FACT has submitted a comprehensive financial restructuring package to Govt. of India aiming sustainable operation of the company in the long run. As part of financial restructuring, FACT has envisaged the following short/medium term projects.

1. Additional 1000 TPD NP 20:20 Plant at FACT Cochin division.
2. Augmentation of raw-material handling facility
3. Construction of Barge for raw-material/intermediate movement

4. Construction of storage tank for import of ammonia

7.2.4.3 Revival of Sick / Weak Unit

Status/Action Plan

FACT has submitted a comprehensive financial restructuring package to Govt. of India to reduce accumulated losses, improve net worth and to initiate the turnaround of the company for a sustainable growth.

FACT has requested the approval of the Govt. of India for the following:

1. Approval for the sale/leveraging of total 629 acres of land held by the Company out of which, 459 acres of land for transfer to Government of Kerala (309 acre @ Rs. 2.4758 crore per acre and 150 acre @ Rs. 1.0 crore per acre) and the remaining 170 acres of land (@ Rs. 2.4758 crore per acre) for transfer to BPCL.
2. Approval for use the sale proceeds for repayment of part of GoI loan (Rs. 500 crore), payment of income tax of around Rs. 465 crore, payment of outstanding amount of Rs. 170 crore to BPCL and retaining the balance amount for strengthening/debottlenecking the production facilities.
3. Grant of a one-time compensation amounting to Rs. 140 crore for the use of high cost LNG to test the plant (during October 2013 to January 2014).
4. Writing off of balance outstanding Government of India loan to an extent of Rs. 782.73 crore as on 31.03.2017 (total outstanding loan amount of Rs. 1282.73 crore less proposed repayment of Rs. 500 crore).
5. Writing off of the total interest payable on Government of India loans up to 31.03.2017 amounting to Rs. 487.76 crore (interest on previous loan amounting Rs. 282.73 crore and interest on plan loan of Rs. 1000 crore sanctioned on 29.03.2016)

7.2.5 Human Resources Management

7.2.5.1 Manpower

The total number of regular employees as on 01.11.2017 employed by the Company is 2090. Company has recruited 40 Technicians (Process), 20 Management Trainees, 8 Officer (Sales) and 2 Doctors. Normal promotions were effected during the year 2017-18.

7.2.5.2 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

Presently, in all the divisions, a committee consisting of Senior Managers in the division is constituted by Division Head to look into the grievances of non - managerial

employees. The Committee deliberates on the complaints received by it and forwards its recommendation to the Division Head for appropriate action. If found necessary, the Committee will give the individual employee an opportunity for presenting his/ her case before the Committee in person.

7.2.5.3 SC/ST Grievance Cell:

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 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 since 2007.

7.2.5.4 Training

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 2016-17 and 2017-18 up to October, 2017 is given below:

Details of Internal Training:

| Year | 2017-18 (April -Oct) | 2016-17 |
|-----------------------------------|-------------------------|---------|
| Total No. of programmes conducted | 18 | 46 |
| Total participants | 442 | 1165 |

External Training offered

| Year | 2017-18 (April-Oct) | 2016-17 |
|---------------------------------|------------------------|---------|
| Total No. of programmes offered | 16 | 42 |
| Total No. of officers trained | 28 | 105 |

Students offered with In-plant / Project Work / Post Qualification Training :

| Sl. No | Particulars | 2017-18 April-Oct | 2016-17 |
|--------|-----------------------------|----------------------|---------|
| 1 | Project Work | 197 | 558 |
| 2 | In-plant Training | 1926 | 1810 |
| 3 | Organisational Study | 24 | 38 |
| 4 | Post qualification Training | 91 | 108 |
| | Total | 2238 | 2514 |

Apprenticeship offered :

| Sl. No. | Discipline | 2017-18 April-Oct | 2016-17 |
|---------|----------------------|----------------------|---------|
| 1 | Trade (ITI) | 59 | 65 |
| 2 | Technician (Diploma) | 21 | 31 |
| 3 | Graduate (B.Tech.) | 15 | 14 |
| | Total | 95 | 110 |

Skill Development Programmes

| Sl. No | Particulars | 2017-18 April-Oct | 2016-17 |
|--------|--|----------------------|---------|
| 1 | 3 months Certificate course on Instrumentation Maintenance & Control | 37 | 29 |
| 2 | 3 months Certificate course on Heavy Equipment Operation | 20 | 47 |
| 3 | 1 year Diploma course in Fire & Safety Engineering | 40 | 27 |

7.2.6 CSR and Sustained Development

FACT is a sick and loss making unit. Hence FACT is not compulsorily required to set apart any amount for the

Social Responsibility Scheme. However, FACT continues to give priority to various Social Responsibility measures. The Company has constituted a Board level Committee as per the provisions of Companies (Corporate Social Responsibility Policy) Rules 2014.

7.2.7 Initiative to improve the performance of the Organisation

FACT has drawn up a road map for the revival and sustainable growth in the long run. FACT has submitted a comprehensive financial restructuring

package to the Govt. of India. On implementation of financial restructuring package, the company expects a turnaround resulting in wipe out of the entire accumulated losses. FACT also intends to set up various expansion projects aiming continuous existence of the company in the long run.

With the optimum capacity utilization of the existing plants and new projects for expansion and modernization, FACT is expecting a turnaround in its performance and profit on a sustainable basis in the coming years.



Shri Mansukh L Mandaviya, Minister of State for Shipping, Chemicals & Fertilizers, visits FACT Ammonia plant Control Room.



FACT has launched a new speed boat named "JALSURAKSHA" for handling emergency situations in the inland waterways

FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED (FAGMIL)

7.3.1 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 from Jodhpur Mining Organisation (JMO) Fertilizer Corporation of India Ltd. (FCIL). The authorized share capital of the Company is Rs. 30.00 crore and the paid up capital is Rs. 7.33 Crore as on 31-03-2017.

7.3.2 Vision / Mission

7.3.2.1 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.

7.3.2.2 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.

7.3.3 Industrial / Business Operations

7.3.3.1 Physical Performance

| Production | Installed Capacity (MT/Annum) | 2016-17 Previous Year | | 2017-18 Current Year | | |
|------------|-------------------------------|--------------------------|--------------------------|---------------------------------|-------------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilisation (%) | Production Up to Oct. 2017 (MT) | Projections for 2017 -18 (MT) | Projected Capacity Utilization (%) |
| Gypsum | 1225000 | 581980 | 47.51 | 205861 | 591353 | 48.27 |

Reason for major deviation in performance if any - Nil

| Marketing | Sales 2016-17 | | Sales Up to Oct. 2017 | | Sales Projections 2017-18 | |
|-----------|---------------|------------------|-----------------------|------------------|---------------------------|------------------|
| | Qty. (MT) | Amount (Rs. Cr.) | Qty. (MT) | Amount (Rs. Cr.) | Qty. (MT) | Amount (Rs. Cr.) |
| Gypsum | 563926 | 51.33 | 265828 | 19.26 | 567628 | 52.06 |

Reason for major deviation in performance if any - Nil

7.3.3.2 Financial Performance

| | For the year 2016-17 | For the period April – Oct. 2017 | Projections for 2017-18 |
|---|----------------------|----------------------------------|-------------------------|
| Turnover (Rs. Cr.) | 51.33 | 20.84 | 52.06 |
| Profit before exceptional item and tax (Rs .Cr.) | 36.25 | 14.92 | 34.44 |
| Profit after tax (Rs. Cr.) | 36.03 | 9.76 | 22.52 |

7.3.4 Performance Highlights

7.3.4.1 Previous Year & Current Year

During the current year 2017-18 up to 31.10.2017, the Company has produced 2.06 lakh MT as against the production of 5.82 lakh MT for the entire previous year, the sale during 2017-18 up to 31.10.2017 was 2.85 lakh MT as against the sales of 5.64 lakh MT for the entire previous year.

During the year 2017-18 up to 31.10.2017, the Company has achieved a turnover of Rs. 2083.87 lakh against Rs. 5133.23 lakh actual turnover for previous year, the company has achieved Rs. 1492.45 lakh as profit before exceptional item and tax as against actual Rs. 3624.77 lakh for previous year.

7.3.4.2 New Investments / Projects

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

- (i) To install an SSP Plant at Chittorgarh which is in advance stage
- (ii) To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant.
- (iii) To enter into business of important minerals like Rock Phosphate, SMS Grade & White Cement Grade Limestone & Dolomite etc. for which FAGMIL is continuously making efforts with the Government of Rajasthan for reservation of the areas.
- (iv) Recently Government of Rajasthan has given its consent for reservation of areas for rock phosphate and dolomite in favour of FAGMIL on 08.11.2017.

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

Not applicable

7.3.5 Human Resource Management

7.3.5.1 Manpower as on 31-10-2017

| Group | Total Employees | Number of employees belonging to | | | | |
|--------------|-----------------|----------------------------------|----------|------------|----------|----------|
| | | SC | ST | Ex-Service | PH | OBC |
| A | 24 | 4 | 1 | 0 | 0 | 4 |
| B | 06 | 0 | 0 | 0 | 0 | 2 |
| C | 13 | 1 | 0 | 0 | 0 | 3 |
| D | 03 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 46 | 5 | 1 | 0 | 0 | 9 |

7.3.5.2 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-

- The employees working in various Mines are advised to submit their grievances through the respective Area Managers to General Manager.
- The employees working at Head Office, Jodhpur, route their grievances through Sectional Heads to General Manager. At present, no grievance is pending.

7.3.5.3 Welfare Measures

i. Welfare of

Minorities Nil

ii. Welfare, Development and Empowerment of Women

We are taking due care towards women empowerment. No process of recruitment was done during the year 2017-18.

iii. Welfare of SCs & STs

The company is also implementing various social schemes 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.

7.3.6 Corporate Social Responsibility and Sustainable Development (CSR / SD)

The company undertakes socio economic and community development programs to promote education, improvement of living conditions by Self Help Groups (SHGs) in villages located in the vicinity of the mines. For this, the company developed a CSR scheme. In the year 2016-17, company has spent Rs. 101.12 lakh (previous year CSR Rs. 97.97 lakh) to provide assistance for education, drinking water, community halls, contribution in Swachh Bharat Kosh & in National Sports Development Fund etc. For the year 2017-18, company is making necessary efforts to spend the required amount of Rs. 107.89 lakh.

7.3.7 Initiatives to improve the performance of the organization

SSP Plant

The Company is in the process of installing an SSP Plant in Rajasthan for which a land admeasuring 11 Hectare (approx.) was acquired in district Chittorgarh during the year 2013-14. Rajasthan State Pollution Control Board (RSPCB) has accorded Environ-mental clearance and Consent to Establish for the project. The topographical survey and geotechnical investigation jobs have been completed at site. It is expected that the SSP plant

will be commissioned by September 2019.

Other Minerals

FAGMIL is continuously making efforts for reservation of important minerals like Rock Phosphate, SMS Grade & White Cement Grade Limestone & Dolomite etc. with the Government of Rajasthan

White Cement Plant

To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant.

7.4 FERTILIZER CORPORATION OF INDIA LIMITED (FCIL)

7.4.1 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 4 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. Environment clearance from MoEF has been obtained on 16.10.2015. Allocation of water, power has been obtained from State Government. Waiver of stamp duty, subsidy on power, exemption of VAT on purchase of goods (Rs.20 crore max.) and deferment of VAT & CST for sale of Urea for 7 years obtained from State Government. Concession Agreement, Lease Agreement & Substitution Agreement have been signed with FCIL. Physical progress of construction at site is around 60% as on October 2017. State Government of Telangana agreed to contribute 11% equity and have released Rs.72 crore as its First Instalment. The plant is likely to be commissioned by December 2018.

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 (TFLL). 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. The opening dates of various tenders are in January 2018.

Sindri & Gorakhpur Units

Union Cabinet decided on 13.7.2016 to revive Sindri & Gorakhpur Units of FCIL, along with Barauni 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 & 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 Sindri & Gorakhpur Units. HURL has started the revival activities.

Korba unit

The revival of Korba Unit would be taken up later

7.4.2 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.

7.4.3 Industrial/ Business Operations (previous Year & Current Year projections)

7.4.3.1 Physical performance (against-capacity)

| Production | Installed Capacity (MT/Annum) | 2016-17 (Previous Year) | | 2017-18 (Current Year) | | |
|------------|-------------------------------|----------------------------|--------------------------|---------------------------------|-------------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilization (%) | Production up to Dec. 2017 (MT) | Projections for 2017 -18 (MT) | Projected Capacity Utilization (%) |
| Product 1 | - | - | - | - | - | - |
| Product 2 | - | - | - | - | - | - |
| Product 3 | - | - | - | - | - | - |

7.4.3.2 Reasons for major deviation in performance if any:

| Marketing | Sales during 2016-17 | Sales up to Dec. 2017 | Sales Projections for 2017-18 |
|------------------|----------------------|-----------------------|-------------------------------|
| Product 1 | - | - | - |
| Product 2 | - | - | - |
| Traded Product 1 | - | - | - |
| Traded Product 2 | - | - | - |

Reasons for major deviation in performance if any:

7.4.3.3 Financial Performance

| | For the year 2016-17 | For the period April-Dec. 2017 | Projections for 2017-18* |
|-----------------------------|----------------------|--------------------------------|--------------------------|
| Turnover (Rs. Crore) | 88.26 | 33.97 | 138.00 |
| Profit before tax (Rs. Cr.) | 34.80 | 11.81 | 50.00 |
| Profit after tax (Rs. Cr.) | 30.10 | 9.65 | 40.00 |

*Assuming receipt of 3 instalments of proceeds on Sindri scrap disposal

7.4.4 Performance Highlights

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

7.4.4.2 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.

7.4.4.3 Revival of sick/ weak Units Status/ Action Plan : Revival details provided under para 1 above

7.4.5 Human Resource Management

7.4.5.1 Manpower There are only 4 employees on roll as on 31.10.2017

7.4.5.2 Grievance redressal As there are only 4 employees on roll of the Corporation, there is no Grievance Redressal Committee in place.

7.4.5.3 Welfare of Minorities As there are only 4 employees on roll of the Corporation, no Minority Welfare Committee is in place.

7.4.5.4 Training As there are only 4 employees on roll of the Corporation, no Training Programmes are taken up

7.4.6 CSR & Sustainable Development

Nil, since Company's Reserves & Surpluses continue to be negative.

7.4.7 Initiatives to improve the performance of the organization

All Units of FCIL are under revival by nominated PSUs.

7.5 HINDUSTAN FERTILIZER CORPORATION LIMITED (HFCL)

7.5.1 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 ` employees 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.

Durgapur and Haldia Units :

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

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.

7.5.2 Vision/ Mission

7.5.3.1 Physical performance (against capacity)

| Production | Installed Capacity (MT/Annum) | 2016-17 (Previous Year) | | 2017-18 (Current Year) | | |
|------------|-------------------------------|----------------------------|--------------------------|---------------------------------|-------------------------------|------------------------------------|
| | | Production (MT) | Capacity Utilization (%) | Production up to Dec. 2017 (MT) | Projections for 2017 -18 (MT) | Projected Capacity Utilization (%) |
| Product 1 | - | - | - | - | - | - |
| Product 2 | - | - | - | - | - | - |
| Product 3 | - | - | - | - | - | - |

Reasons for major deviation in performance if any:

| Marketing | Sales during 2016-17 | Sales up to Dec. 2017 | Sales Projections for 2017-18 |
|------------------|----------------------|-----------------------|-------------------------------|
| Product 1 | - | - | - |
| Product 2 | - | - | - |
| Traded Product 1 | - | - | - |
| Traded Product 2 | - | - | - |

Reasons for major deviation in performance if any:

7.5.3.2 Financial Performance

7.5.3 Industrial/ Business Operations (previous Year & Current Year projections)

| | For the year 2016-17 | For the period April-Dec. 2017 | Projections for 2017-18* |
|-----------------------------|----------------------|--------------------------------|--------------------------|
| Turnover (Rs. Crore) | 7.16 | 33.57 | 37.44 |
| Profit before tax (Rs. Cr.) | 2.45 | 24.80 | 33.05 |
| Profit after tax (Rs. Cr.) | 1.65 | 16.15 | 21.50 |

7.5.4 Performance Highlights

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

7.5.4.2 New Investments / Projects: The land & infrastructure of the Barauni Units 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.

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

7.5.5 Human Resource Management

7.5.5.1 Manpower There is only 1 employee on roll as on 31.10.2017

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

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

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

7.5.6 CSR & Sustainable Development

Nil, since Company's Reserves & Surpluses continue to be negative.

7.5.7 Initiatives to improve the performance of the organization

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

7.6 MADRAS FERTILIZERS LIMITED (MFL)

7.6.1 Brief Overview of the Organisation

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 November 30, 2017, the paid up equity is ` 161.10 Cr.

M F L 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.

7.6.2 Vision / Mission

Vision

Sustaining in the market profitably with the present feedstock by implementing energy efficient production process and introducing cost-effective product mix till the attainment of gas connectivity.

Mission

*Upgradation of the existing vintage equipment in a phased manner to improve reliability and attain energy saving.

*Maximizing production of cost effective complex fertilizers

*Strengthening the flagship brand "Vijay" through aggressive marketing
*Generating additional revenue through optimization of available resources

7.6.3 Industrial / Business Operations (Previous year and current year projections)

7.6.3.1 Physical performance (against Capacity)

| Production | Installed Capacity (MT/Annum) | 2016- 17 (Previous Year) | | 2017-18 (Current Year) | | |
|------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------------|------------------------------|------------------------------------|
| | | Production (MT) | Capacity utilisation (%) | Production up to 26 Nov 2017 (MT) | Projections for 2017-18 (MT) | Projected Capacity Utilisation (%) |
| Ammonia | 346500 | 275330 | 79.5 | 146987 | 260987 | 75.3 |
| Urea | 486750 | 468438 | 96.2 | 238262 | 427862 | 87.9 |
| NPK | 840000 | 48895 | 5.8 | 56795 | 77000 | 9.16 |

Sales Performance of Fertilizers, Vijay Organic, Vijay Neem, Co2 and Vijay Bio-fertilizers :

[MT]

| Products | Sales during 2016-17 | Sales up to Oct 2017 | Sales to projections for 2017-18 |
|--------------------|----------------------|----------------------|----------------------------------|
| V.Neem Coated Urea | 435538.75 | 252261.05 | 480000.00 |
| V.17 -17-17 | 33406.80 | 54501.75 | 77000.00 |
| V.Neem [KL] | 80.55 | 19.29 | 130.00 |
| V.Bio Fertilizer | 110.74 | 39.88 | 300.00 |
| V.Organic Manure | 712.00 | 1054.92 | 6000.00 |
| V.City Compost | 1705.88 | 1533.05 | 10000.00 |
| CO ₂ | 7974.30 | 4058.06 | 8000.00 |

7.6.3.2 Financial Performance

| | For the year 2016-17 | For the period April – Oct 2017 | Projections for 2017-18 |
|----------------------------|----------------------|---------------------------------|-------------------------|
| Turnover (Rs. Cr) | 1400.22 | 793.83 | 1701.01 |
| Profit before tax (Rs. Cr) | (23.31) | (119.67) | (49.81) |
| Profit after tax (Rs. Cr) | (23.31) | (119.67) | (49.81) |

7.6.4 Performance Highlights

7.6.4.1 Previous Year & Current Year For the Year 16-17

- Urea production was 4.68 Lac MT showing an increase of 15 % over the

previous year. (4.07 Lac MT for 2015-16). The urea energy consumption was 7.460 Gcal/ MT of urea showing decrease of 2.4% over the previous year (7.645 Gcal/MT of Urea for 2015 16).

- Advanced process controller (APC) was successfully installed in urea plant and continues to be in operation yielding considerable energy reduction (0.054 Gcal/ MT of Urea).

- With respect to NPK (17:17:17) production, MFL has produced 0.49 Lac MT as against 0.35 Lac MT produced during previous year with a marginal increase by 40%.

- NPK bags with inner Liner was introduced first time in the company to improve the Shelf life of NPK product.

For the Year 17-18

- Company has produced 2.38 Lac MT of Urea as on November 26, 2017 and hopeful of producing another 1.89 Lac MT till March 2018 by sustaining the production at rated capacity.

- Company has produced 0.57 Lac MT of NPK (17:17:17) as on November 26, 2017 and has planned to produce another 0.20 Lac MT till March 2018 thereby surpassing 0.49 Lac MT achieved during 2016-17.

7.6.4.2 New investments / projects

- Feedstock conversion project From Naphtha to RLNG
- Regaining NPK production capacity
- Syngas compressor suction / Make up gas chilling
- Additional cooling tower cells
- Replacement of low efficient turbine driven equipment
- Hydrolyser stripper upgradation
- Recovery of hydrogen from purge gas using membrane technology

7.6.4.3 Revival of sick / weak units-status / Action plan

Based on the directions of Department of Public Enterprises (DPE) vide their Office Memorandum dated 29.10.2015 and Department of Fertilizers, Government of India letter dated 11.02.2016, the Company has appointed M/s Project Development India Limited (PDIL) as an expert organization for drawing of business, operational and financial re-structuring plans for revival of MFL. Accordingly, M/s PDIL has submitted a study report for revival of MFL. The Board of MFL in their meeting held on May 30, 2017

deliberated the report and decided to recommend to the Department of Fertilizers, Government of India the following for its favourable consideration:

- 100% waiver of interest on GOI loan of ` 509.04 Cr as on 31.03.2017
- 100% waiver of principal amount on GOI loan of ` 554.24 Cr as on 31.03.2017
- MFL to obtain additional loan from Financial Institutions / Banks to the tune of ` 171.30 Cr to fund its energy saving capital expenditure schemes
- To increase public shareholding from the existing level of 14.33% to 25% and corresponding reduction in GOI / NICO shareholding to accomplish the same.

7.6.5 Human Resources Management

7.6.5.1 Manpower

| Group | Employees as of 31.10.2017 | Number of Employees belonging to | | | | |
|--------------|----------------------------|----------------------------------|----------|---------------|------------------------|------------|
| | | SC | ST | Ex-Servicemen | Physically Handicapped | OBC |
| A | 187 | 44 | 2 | - | 1 | 10 |
| B | 210 | 45 | 4 | - | 1 | 7 |
| C | 220 | 52 | 1 | - | 4 | 109 |
| D | 29 | 22 | - | - | - | 1 |
| TOTAL | 646 | 163 | 7 | - | 6 | 127 |

7.6.5.2 Grievance Redressal

During 2017-18 (Up to October 31, 2017), MFL has received 5 grievances from public and out of this, 3 were replied in time and one is sub-judice. The reply for 1 grievance will be sent shortly. Besides, a Committee on Grievance is constituted to review and redress the grievances of employees in Service and Superannuated. In addition to the above, SC/ST employees' Grievance Redressal Committee is also constituted, to expedite redressing of genuine grievances of SC/ST employees.

7.6.5.3 Welfare of Minorities

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

7.6.5.4 Training

During the year 2017-18 (up to November 2017), we have conducted 7 in-house training programs in which 148 employees were trained. In addition to the above, 22 employees were sponsored to participate 10 external training programs.

7.6.6 CSR & Sustainable Development

The following CSR activities were

undertaken during the year 2016-17 & 2017-18 (up to 31.10.2017)

2016-17

- ❖ Asum of ` 10000/- was spent towards CSR activities for Government Schools in Bellary of Karnataka State.
- ❖ `28000/- was spent for Mahatma Gandhi Leprosy Rehabilitation Society at Salem.
- ❖ Regular supply of potable water through pipelines from MFL to H a r i k r i s h n a p u r a m (M a n a l i) , a neighbourhood village (around 500 families), is ensured at a cost of ` 5.43 lakhs.

2017-18 (Up to 31.10.2017)

A sum of Rs. 98000/- was spent towards cleaning and deepening of pond at Kolathupalayam Village in Coimbatore district during June 16 19, 2017.

7.6.7 Initiatives to improve the performance of the organization

- ❖ LoIssued to the vendors for Primary Reformer Burners and NG (Feed + Fuel) Pre-heater [E-1214]. Technical Recommendation for NG Fired Heater received from PDIL. Technical evaluation by PDIL for piping and other instrument items is under

progress. NG Fuel Pre-heater [E-1213] has already been received at MFL site.

✧Piling,Civil and Structural work for gas conversion project is in progress. Casting of working piles completed.

✧MFL is preparing to enter into Gas Transmission Agreement (GTA) AND Gas Sales Agreement (GSA) with M/s. IOCL for supply of Natural Gas to MFL.

✧M/s.IOCL has commenced the work of setting up a 5 MMTPA LNG Import Storage and Re-gasification Terminal at Kamarajar Port, Ennore in Tamil Nadu and they have completed 80% of the job as at the end of October 2017.

7.7 NATIONAL FERTILIZERS LIMITED (NFL)

7.7.1 Brief overview of the organization

NFL, a Schedule 'A' and a Mini Ratna (Category-1) Company with its registered Office at New Delhi, was incorporated on 23rd August 1974. It has an authorized share capital of `

1000 crore and paid up and subscribed share capital of ` 490.58 crore out of which Government of India's share is 74.71% and 25.29% share is held by financial institutions, public & others.

7.7.2 Vision / Mission

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

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.

7.7.3 Industrial / Business Operations (Previous year & Current year projections)

7.7.3.1 Physical Performance

| Production | Installed Capacity per year | 2016-17 | | 2017-18 | | |
|------------|-----------------------------|------------|--|-----------------------------------|-------------------------|--|
| | | Production | Capacity Utilization w.r.t Re-assessed Capacity (C.U)% | Actual production up to Oct. 2017 | Projections For 2017-18 | Projected C.U (%) w.r.t Re-assessed Capacity |

Department of Fertilizers

| | | | | | | |
|--------------------------------------|-----------|-------|-------|-------|-------|-------|
| Urea (LMT) | 35.68 * | 38.10 | 117.9 | 21.71 | 38.00 | 117.6 |
| Bio-Fertilizers (MT) | 600 ** | 522 | 87 | 268 | 865 | 96.1 |
| Bentonite Sulphur (MT) | 25000 | - | - | - | 3000 | 44.0 |
| Nitric Acid (MT) | 90910 # | 75479 | 82 | 43889 | 70000 | 76.0 |
| Ammonium Nitrate (AN) (MT) | 118800 ## | 8989 | - | 4970 | 15000 | - |
| Sodium Nitrate (MT) | 1980 | 1519 | - | 749 | 1550 | - |
| Sodium Nitrite (MT) | 2970 | 1633 | - | 1083 | 1670 | - |
| Certified Seeds(Qtls.)- Under SMP \$ | - | 8228 | - | 32561 | 35003 | - |

* 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 increased to 900 MT during 2017-18.*

Installed Capacity of 2 Nitric Acid streams is 181820 MT.

Installed Capacity of 2 AN streams is 237600 MT.

\$ *Certified seeds produced during 2016-17 & 2017-18 is the outcome of sowing done during 2015-16 & 2016-17 respectively.*

| Marketing / Sale | Sales during 2016-17 | Actual Sales up to Oct. 2017 | Sales projections for 2017-18 |
|------------------------|----------------------|------------------------------|-------------------------------|
| Urea (LMT) | 37.58 | 21.83 | 39.49 |
| Bio-Fertilizers (MT) | 546 | 233 | 700 |
| Seeds (Qtls.) | 8228 | - | 32561 |
| Nitric Acid (LMT) | 0.68 | 0.39 | 0.70 |
| Imported DAP (LMT) | 2.14 | 1.60 | 3.28 |
| Imported MoP (LMT) | - | 0.20 | 0.28 |
| Imported NPK (LMT) | - | 0.11 | 0.27 |
| Bentonite Sulphur (MT) | 3356 | - | 2500 |

7.7.3.2 Financial Performance

| Item | For the year 2016-17 | For the period April – Sept. 2017 | Projections 2017-18 |
|------------------------------|----------------------|-----------------------------------|---------------------|
| Turnover (` Crore) | 7663 | 4004* | ** |
| Profit before Tax (` Crore) | 325 | 143* | ** |
| Profit after Tax (` Crore) | 208 | 93* | ** |

* *Un-Audited Financial achievements are available up to September 2017 only.*

** *Financial results would be provided at the end of the year after audit / intimation to Stock Exchanges.*

7.7.4 Performance Highlights

7.7.4.1 Previous year & Current year

During 2016-17

- ✓ Ever highest Urea production of 38.10 MT (Capacity utilization of 118%)
- ✓ Ever best sale of Fertilizers of 39.75 LMT which includes sale of 37.58 LMT of Urea (ever best), 2.14 LMT of imported DAP (ever best) and 0.03 LMT of Bentonite Sulphur.
- ✓ Ever best sale of Nitric Acid of 67949 MT.
- ✓ 8969 MT of Ammonium Nitrate produced & sold after a gap of around 2 years.
- ✓ Highest sale of Industrial Products (IP) of ₹ 188 crore.
- ✓ Ever lowest energy consumptions / MT of Urea achieved at Panipat, Bathinda & Vijaipur-II Unit.
- ✓ 53669 quintals of certified seeds sold which included 9915 quintals of wheat seeds produced under Seed Multiplication Program (SMP).
- ✓ Registered sales turnover of ₹ 7663 crore against ₹ 7794 crore in CPLY.
- ✓ Registered a Profit before Tax (PBT) of ₹ 325 crore and Profit after Tax (PAT) of ₹ 208 crore.

During 2017-18 (up to September 2017)

Ever best sale of 20.75 LMT of Fertilizers achieved during April ~ September 2017.

7.7.4.2 New Investments / Projects

Projects under Implementation:

- ✓ Revival of Ramagundam Plant (Through Joint Venture Company M/s RFCL) with annual Urea capacity of 12.71 LMT and estimated cost of ₹ 5254 crore in Joint Venture with M/s EIL & M/s FCIL. The project is in progress and likely to be completed by December 2018.
- ✓ Bentonite Sulphur Plant of 25000 MT per Year at Panipat Unit with a cost of ₹ 42 crore. Trial production is under way & expected to be commissioned by end of December 2017.
- ✓ Implementation of Integrated Energy saving schemes at Panipat, Bathinda & Nangal under NUP - 2015 with estimated cost of ₹ 697 crore.
- ✓ Energy saving schemes at Vijaipur-I & II Unit with estimated cost of ₹ 220 crore.
- ✓ Di-nitrogen Tetroxide (N₂O₄) plant at Vijaipur Unit on Built Own Operate & Supply basis (BOOS) for ISRO with estimated cost of ₹ 350 crore.
- ✓ Installation of new natural draft Prilling tower at Bathinda & Panipat Units at estimated cost of ₹ 90 crore.

Project planned:

Di-Ammonium Phosphate (DAP) plant of 10 LMT per annum along with Phosphoric Acid Plant in Algeria under buy back arrangement & in Joint Venture mode with RCF, GSFC and NMDC.

7.7.4.3 Revival of sick / Weak Units-

Status / Action plan

Revival of closed plant of FCIL at Ramagundam through Joint Venture Company M/s RFCL with annual Urea capacity of 12.71 LMT and estimated cost of ` 5254 crore in Joint Venture with M/s EIL & M/s FCIL and State Govt. of Telangana.

7.7.5 Human Resource Manage-ment

7.7.5.1 Manpower

| Group | Total number of employees | Number of SC / ST / OBC / EX-SM /PH | | | | |
|------------------|---------------------------|-------------------------------------|------------|------------|-----------|-----------|
| | | SC | ST | OBC | EX-SM | **PH |
| A | 1432 | 279 | 86 | 137 | 1 | 4 |
| B (Officers) | 262 | 72 | 27 | 19 | 1 | 4 |
| B (Workers) | 1205 | 333 | 78 | 92 | 12 | 11 |
| C | 497 | 94 | 25 | 128 | 5 | 21 |
| D | 32 | 16 | 1 | 4 | 0 | 0 |
| D (Safai Sewaks) | 57 | 57 | 0 | 0 | 0 | 0 |
| Total | 3485 | 851 | 217 | 380 | 19 | 40 |

* EX-SM Ex- Servicemen

** PH Physically Handicapped

7.7.5.2 Grievance redressal

A "Grievance Redressal Cell" for employees is functional at NFL, Corporate Office & at all the Units. During 2016-17, 50 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.

7.7.5.3 Welfare of Minorities

✓Alltheemployees at Units celebrate the festivals of various communities with brotherhood.

✓NFLbelieves in equality of all communities and follows all Govt. regulations on empowerment of minorities such as representation of the minority communities on interview board.

7.7.5.4 Training

✓Various training programmes (in-house as well as external) on contemporary subjects.

✓During 2016-17, 11180 man-days training were imparted to employees and 569 man-days training to women employees.

✓For year 2017-18, employees are being nominated to attend one week's training program from Premier Training Institutes like TISS, IIM Indore, AIMA etc. Five such programmes covering 132 officers have already been completed up to November 2017.

7.7.6 CSR & Sustainable Development

Corporate Social Responsibility

During the year 2016-17, the Company spent an amount of ` 2.62 crore towards various CSR initiatives such as construction of toilets, AAS equipment for soil testing, installation of solar lights, cancer awareness, employment enhancing and vocational training programmes, distribution of limbs and aids to persons of special ability, training programme for women in beauty culture & cutting and stitching etc.

Sustainability Development

✓The company has a full-fledged

sustainable development policy to have a consistent & controlled approach on this front.

✓Rooftop solar plants of 90~100 KW installed at Corporate office, Noida and Bathinda Unit.

✓On-line monitoring system both for effluent and emission discharges installed at all the Units. Online monitoring system is integrated with Central and State Pollution Control Boards in order to monitor the level of pollutants on continuous and real time basis.

✓Efficiency of Coal fired Boilers in Nangal, Bathinda and Panipat Units being improved by using various techniques such as use of Coal additives. This helps to reduce consumption of fossil fuel

✓Afforestation adopted in all the Units to improve the environment surrounding the Units. About 20,000 tree saplings were planted in and around various Units.

✓5rainwater harvesting systems installed at Units. This would help in conservation of water, increase in

underground water table and increase greenery in the surroundings.

7.7.7 Initiatives to improve the performance of the organization

✓Company has taken Strategic move from Single product to Multi-product Company through imports of Fertilizers other than Urea, domestic trading of Agro products and production of certified seeds under Seed Multiplication Program to provide

all the agro products to the farmers under single roof.

✓Bentonite Sulphur Plant of 25000 MT per Year at Panipat Unit with a cost of ` 42 crore. Trial production is under way & expected to be commissioned by end of November 2017.

✓Installation of new natural draft Prilling tower at Bathinda & Panipat Units at estimated cost of ` 90 crore.



Sh. Mansukh L. Mandaviya, Hon'ble Minister of State for Chemicals & Fertilizers, Road Transport & Highways and Shipping along with C&MD and senior officials of the company during a visit to Panipat Plant.



Ms. Bharathi S. Sihag, Secretary (Fertilizers) along with C&MD, NFL
at Kisan Suvidha Kendra, Panipat.



Sh. Manoj Mishra, C&MD, NFL welcoming Sh. Anandrao Adsul, Hon'ble Chairman of Parliamentary Standing Committee on Chemicals & Fertilizers during the Study Tour of Parliamentary Standing Committee on Chemicals & Fertilizers in Manali on 10th June, 2017

7.8 PROJECTS & DEVELOPMENT INDIA LTD. (PDIL)

7.8.1 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); and
- is also engaged in the manufacturing of catalysts for the fertilizer and refinery industries.

The authorized Share Capital of the company is Rs. 60 crore and Paid up Capital is Rs. 17.30 crore as on 31.03.2017.

7.8.2 Vision/Mission

7.8.2.1 Vision

To be a leading Engineering and Project Management Consultancy organization

7.8.2.2 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.

7.8.3 Industrial /Business Operations

7.8.3.1 Physical Performance (Catalyst Division)

The Plant-wise actual production and Capacity Utilization for the period **April 2017 to October 2017 and expected**

| during November 2017 to March 2018 is as follows:- | | 2017-18 | |
|--|----------------------|--------------|---------------------------------|
| April to Oct. '17 | Nov'17 to March' 18 | Total | Capacity |
| Prod'n. (MT) | Cap. utilization (%) | Prod'n. (MT) | Prod'n. Utilization overall (%) |
| 69 | 32.86% | 69 | 19.17% |
| - | - | - | - |
| - | - | 160 | 26.67% |
| 69 | 32.86% | 197 | 58.17% |

| | Plant Capacity (MT) | 2016-17 | |
|--------------------------|---------------------|-------------------|----------------------------------|
| | | Total Prodn. (MT) | Capacity Utilization overall (%) |
| H. T. Co. Conv. Catalyst | 360 | 4 | 1.11% |
| Nickel based Catalyst | 300 | | |
| LT Co. Conv. Catalyst | 600 | | |
| Total | 1260 | 4 | 1.11% |

CATALYST SALE

| | (in MT) | | |
|--------------------------|----------------------|--------------------|-------------------------------|
| | Sales during 2016-17 | Sales up to Oct 17 | Sales Projections for 2017-18 |
| H. T. Co. Conv. Catalyst | 10 | 96 | 96 |
| Nickel based Catalyst | - | - | - |
| LT Co. Conv. Catalyst | - | - | 160 |
| Total | 10 | 96 | 293 |

7.8.3.2 Financial Performance:

Rs in crore

| Parameter | 2016-17 | April to Oct, 2017 | 2017-18 (RE) |
|-------------------------|---------|--------------------|--------------|
| Total Income | 57.74 | 35.28 | 73.54 |
| Profit Before Tax (PBT) | (9.95) | (6.61) | (7.99) |
| Net Profit (PAT) | (10.58) | (6.61) | (7.99) |

7.8.4 Performance Highlights

7.8.4.1 Services Offered

7.8.4.1.1 Pre-Project Services

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

7.8.4.1.2 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**

7.8.4.1.3 Other Specialized Services

Revamp / Retrofit / De-bottlenecking Studies, Health Study & End-to-End Survey, Environmental Engineering, Energy Audit/ Safety Audit, PDS3D Piping Model, Process Simulation and Optimization, Hazop Study, Due Diligence Assignments, etc.

7.8.4.1.4 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.

7.8.4.2 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

PDIL is the prime mover of almost all the Ammonia-Urea Projects in India in the last six decades. Our esteemed clients include almost all the major Nitrogenous Fertilizer Manufacturers in India in all the sectors viz. Public, Co-operative and Private Sectors. Apart from the Projects in India, PDIL has effectively shown its presence overseas as well. PDIL has so far engineered and successfully executed 26 Ammonia Units and 38 Urea Units (Grass Root / Expansions) in the country and abroad. Besides the Grass Root/ Expansion Projects, PDIL has also provided Engineering Services for many Revamp / Modernization / Energy Saving Schemes for its esteemed clients.

Recent Important Foreign Projects include:

- World's largest single stream gas based

2200 MTPD Ammonia Plant in Karratha, Australia' for Burr up Fertilizers Pty. Ltd. in year 2006).

- Nigeria-Oman Fertilizer Project for El Sharika El Djazairia El Omania Lil Asmida Spa.
 - Feasibility Study Report for Ammonia/TAN/CAN Project at Algeria for Asmidal Group
 - Offsite & Utilities for Ammonia-Urea Project at Nigeria for Indorama Eleme Petrochemicals Limited
 - BFR for Integrated Chemicals & Fertilizer Plant at Botswana, South Africa for Konsultantz Limited (under execution).
 - EPCM Services for setting up an additional Concentration Line for Phosphoric Acid Concentration at JIFCO, Jordan (under execution)
- On domestic front, PDIL is working on the following major assignments:
- Energy Saving Project (Phase-III) for Ammonia-Urea plants at IFFCO Aonla (I & II), Phulpur (I & II) & Kalol
 - GT-HRSG Project at RCF-Thal & Trombay
 - Ammonia Plant Feed Stock Changeover for MFL-Chennai

- Pre-Award Consultancy Services for Energy Saving Project-II of NFL, Vijaipur plants.
- Providing Services of arranging Man-Power / Resources for DBT Pilot Project of Deptt. of Fertilizers.
- of Unusable assets of Gorakhpur unit of FCIL.
- Preparation of DFR for the proposed NPK Project at Krishnapatnam for KRIBHCO
- Preparation of ITB Document & Evaluation of Bids for selection of LSTK Contractor and Preparation of DFR for setting up of gas based 2200 MTPD Ammonia and 3850 MTPD Urea Fertilizer Plants at Gorakhpur & Sindri for Hindustan Urvarak & Rasayan Ltd. (HURL).

7.8.4.2.2 Refinery, Oil & Gas and Other Sectors

PDIL has been bestowed with the privilege of serving almost all Oil & Gas and Refinery Majors in India. The facilities engineered include LPG Import Terminals, POL Terminals / Depots / Storages, Crude / Gas / Petroleum Products Pipelines, Gas Gathering Stations, Mounded Storages for LPG, Atmospheric Cryogenic

Storages for Petroleum Products, LPG Bottling Plants, City Gas Distribution Projects including CNG Stations, Skid Mounted/ Relocatable Refinery. PDIL has also undertaken Revamp Jobs for Refineries covering Atmospheric Distillation Unit, Sulphur Recovery Unit, Lube Oil Complex, Crude Distillation Unit, Crude Topping Unit etc.

The major ongoing assignments as listed below are progressing well:

- LPG Tank Project at Haldia for Aegis Logistics,
- LPG Bullets at ONGC-Hazira & Uran
- Flue Gas Recovery Unit at HPCL-Visakh
- OCTAMAX Project at IOCL-Mathura
- LPG Mounded Bullets at NRL-Assam
- Ennore Coastal POL Terminal of BPCL
- LPG Bottling Plant at IOCL-Bathinda
- Flue Gas Cooler in RFCCU unit at IOCL-Barauni Refinery
- Replacement of Feed / Effluent Exchanger in Catalytic Reformer unit of IOCL at Bongaigaon.
- Construction Supervision & Inspection services at HPCL-Visakh

- Site Supervision Services for augmentation of facilities under project Utkrisht of HPCL.

In the current Financial Year, PDIL has secured several orders in the Oil & Gas and Refinery Sectors, major ones being

- Design & Engineering for various works at installations of Ankleswar asset and Crude Oil storage tanks at Gopavaram, Kesanapalli & Malleswaram for ONGC;
- LPG mounded bullet at Guwahati Refinery;
- POL storage terminal at Asanur Tamil Nadu for IOCL;
- LPG Terminal at Mundra for Adani Group and
- LIE (Lender's Independent Engineer) by State Bank of India for 5 MMTPA Greenfield land based RLNG terminal at Chhara Port.

7.8.4.2.3 Chemicals Sector

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 Bicarbonate. In the recent past, PDIL

has provided Consultancy Services to GAIL for GSU & GPU modification job at Pata, Detailed Engineering Services to GSFC, Baroda for Methanol Plant, Basic Design Engineering for Ammonium Sulphate Plant & Ammonia Liquor Treatment Plant of Rourkela Steel Plant at Rourkela for Shriram EPC.

7.8.4.2.4 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. PDIL is executing the RECPDCL order for construction of toilets under Swachh Vidyalaya Abhiyan in the State of Bihar for Patna & Gaya.

7.8.4.2.5 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.

7.8.4.2.6 Pharma Sector

PDIL has secured order for PMC Services for Cluster Development Programme for Pharma Sector.

7.8.4.2.7 Third Party Inspection & NDT Services

PDIL has established its credentials as a recognized Third Party Inspection (TPI) and Non-Destructive Testing (NDT) Agency. Statutory Inspection, Testing and Certification of Horton spheres, Mounded LPG Bullets, Inspection & Recommissioning of Ammonia Storage Tanks and Health Assessment of Catalyst Reformer Tubes by Automatic Ultrasonic Scanning (AUS) continued to be the specialized activities of PDIL.

Various Oil, Gas, Power and Infrastructure companies such as IOCL, HPCL, BPCL, DAFFPL, APL, MRPL, RUDSICO, JVVNL, IFFCO etc. continued to repose confidence in PDIL by awarding TPI & NDT jobs to PDIL.

Major TPI & NDT jobs received include:

- Inspection Services for Sewerage Projects under AMRUT for Rajasthan Urban Infrastructure Finance & Development Corporation Limited (RUDSICO), Jaipur.
- Inspection for construction of Mounded Type Pressurised Storage Vessels and Fire Water Tanks at various LPG Bottling Plants of IOCL.
- Inspection of indigenous Electrical, Telecom & Instrument items in India ordered by all Pipeline Division offices of IOCL across the country.
- Inspection of material purchased by Jaipur Vidyut Vitran Nigam Limited (JVVNL), Jaipur.
- Carrying out NDT analysis of Tank VF 203 at Delhi Aviation Fuelling Station for Delhi Aviation Fuel Facility Private Limited, New Delhi.
- Inspection of 5000 MT Atmospheric Ammonia Storage Tank at Kandla Unit of IFFCO.
- Carrying out NDT and Hydro Testing of Horton Sphere at HPCL's Jatni (Odisha) LPG Bottling Plant.
- Carrying out Thickness Measurement survey under NDT Inspection for the

Process Pipings in Methanol-II Plant of Assam Petro-chemicals Limited, Namrup.

- Inspection of 4 No. Acetylene Generators installed at Carbide Plant of Shriram Vinyl & Chemical Industries, Kota.
- Automated Ultrasonic Scanning of Reformer Tubes & OD Measurement at Linde India Ltd., Aurangabad.
- Statutory Inspection of Bullets and Horton Spheres at Mangalore Refinery and Petrochemicals Limited, Mangalore.
- NDT & Statutory Certification of Hydrogen Bullets at IOCL's Mathura Refinery.

7.8.4.2.8 Techno-Commercial Audit

PDIL has been involved in Quality Monitoring/ Techno-commercial Audit of Single Super Phosphates (SSP) units all over India since 2001 as a Department of Fertilizer (DoF) representative. PDIL involves in the following activities as below:-

- (i) 1st Technical Inspection of new SSP unit/ Capacity upgradation
- (ii) Techno-Commercial Audit of SSP units
- (iii) Random sampling of Egyptian Rock

phosphate to know the contents

- (iv) Analysis of rock phosphate/blending of rock phosphates to find out feasibility of production of SSP.

It is important to note that PDIL is having the State of Art NABL accredited Chemical Laboratory at Noida, which is the only Govt. Owned laboratory in India in the field of testing of phosphatic fertilizer.

Presently, PDIL is undertaking above activities for around 70 SSP/BRP units spread all over India and report is being submitted along with TAC observation and comments to DoF on continuous basis.

The total installed capacity in India of SSP/Beneficiated Rock Phosphate (BRP) units is 7746727 MT for Pandered SSP (PSSP), 4677000 MT for Granulated SSP (GSSP) & 258000 MT for BRP Units.

The annual rock consumption for SSP production is around 7 Lakh MT (Indigenous) & 10 Lakh MT (Egyptian) in India.

7.8.4.2.9 Manufacturing of Catalysts

PDIL's Catalysts Division located at Sindri (Jharkhand) manufactures and

supplies a wide range of commercially proven catalysts used in Ammonia Plants and other Industries. Catalysts manufactured by PDIL are Secondary Refor ming, Iron - Chromia, High Temperature CO Shift, Copper Promoted High Temperature Shift, Conventional Low Temperature Shift, High Copper Low Temperature Shift, Methanation & Super Methanation, De-Sulphurization, and Vanadium Pentoxide.

PDIL's Catalysts are in use in almost all the old and new generation Ammonia Plants in India in the Public, Cooperative and Private Sector. Besides Fertilizer Plants, PDIL's Catalysts are used in Refineries also.

PDIL's Vanadium Pentoxide Catalysts have been supplied to many Sulphuric Acid Plants in India as well as abroad.

7.8.5 In house strengths of PDIL

7.8.5.1 IT & Other Infrastructure Facilities

PDIL has two full-fledged Design Engineering Centers situated at the prime locations in the Country at NOIDA (NCR-New Delhi) & Vadodara. Further, PDIL has its catalyst manufacturing unit at Sindri (Jharkhand). Apart from this, PDIL has its Inspection offices at various locations

throughout India viz . Chennai, Hyderabad, Kolkata and Mumbai.

Both the Design Engineering Centers of PDIL are equipped with State-of-the-Art computer and software facilities such as AutoCAD 2012, Microstation, Plant Design System (PDS), Smart Plant Electrical, Smart Plant Instrumentation, Smart Plant P&ID, Frame Work Plus, Smart Plant Review, CAESAR II, PV Elite, Moprocal, STAAD Pro, Aspen Plus, Syner GEE Gas, ASD Pipe Router, ASD Pipe Support Optimizer, PHA-Pro, Safeti Micro, Conval, ETAP, Primavera, MS Project and a large no. of state of the artwork specific software for carrying out design engineering work. PDIL is a member of Heat Transfer Research INC., U.S.A. giving it the right to use Xchanger Suite of Software. All the offices of PDIL are connected through VPN.

7.8.5.2 ERP Project

With implementation of SAP ERP, PDIL has been able to integrate its activities on a single platform. Go live of SAP was done on February 8, 2011.

7.8.5.3 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.

7.8.6 Human Resources

7.8.6.1 Manpower

The category wise details of employees as on 31.03.2017 is as follows:-

| EMPLOYEE STRENGTH AS ON 31.03.2017 (REGULAR INCLUDING MANAGEMENT TRAINEES) | | | | | |
|---|------------------|-----------|-----------|------------|------------------|
| Category | Total MIP | SC | ST | OBC | TOTAL MIP |
| A | 201 | 47 | 17 | 69 | 334 |
| B | 15 | 4 | NIL | 4 | 23 |
| C | 7 | 4 | 1 | 1 | 13 |
| D | NIL | NIL | NIL | NIL | NIL |
| Total | 223 | 55 | 18 | 74 | 370 |

7.8.6.2 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 received through Ministry is pending with PDIL. Grievances Redressal Mechanism has also been displayed in our website.

7.8.6.3 Welfare of Minorities

Due care is being taken at the time of recruitment for employment of minorities in PDIL as per govt. guidelines

7.8.6.4 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.

7.8.7 CSR & Sustainable Development

PDIL has a Corporate Social Responsibility (CSR) & Sustainability Policy. It has been doing CSR activity since the year 2007. CSR is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. PDIL has a Board Level Committee, which decides the activities to be taken up under CSR and ensures its execution as per the CSR policy

In view of operating losses during last few years, no budget has been allocated for CSR activity from the year 2016-17.

7.8.8 Initiatives to improve the overall performance of the organization:

- (i) Efforts made for improvement of the business position
 - PDIL has been actively pursuing the revival projects of FCI & HFCL at Gorakhpur, Sindri, Baruni & Talcher and has been awarded orders worth more than Rs. 110.00 Crore for the Gorakhpur, Sindri & Talcher Projects. Bidding process for the Barauni Project is currently under way.
 - After making rigorous efforts for entry into atomic/ nuclear power sectors, PDIL has successfully bagged job worth Rs. 1.77 Crore from Heavy Water Board.
 - Discussions are under progress in advance stage for energy saving projects of KRIBHCO & SPIC.
 - Strategic bidding is being continued to secure more business in the non-fertilizer sector
- (ii) Use of e-procurement and e-tendering for project as well as internal procurement purposes.

- (iii) Savings in energy consumption and expenditure on the same by replacement of high power consuming air conditioners with energy efficient 5-star ACs after conducting energy audit.
- (iv) Encouraging paperless working within PDIL as well as with the clients/ vendors/ contractors etc.

Efforts are being made for recovery from outstanding debtors by close monitoring and follow up with the clients.

7.9 RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED (RCF)

7.9.1 Overview

7.9.1.1 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 starting from Urea, Complex Fertilizers

in the fertilizer segment and an array of Industrial chemicals.

7.9.2 Industrial/ Business Operations

7.9.2.1 Physical Performance:

7.9.2.1.1 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 P_2O_5) and 0.63 lakh MT of Potash (as K_2O). The production of Nitrogen, Phosphate and Potash during 2016-17 was, 12.44 lakh MT, 0.70 lakh MT and 0.70 lakh MT respectively. ➤ During April-October 2017, RCF

produced 7.31 lakh MT of Nitrogen as against 7.13 lakh MT during the same period of the previous year. Company also produced 0.41 lakh MT of Phosphate (as P_2O_5) as against the production of 0.40 lakh MT of the previous year. Production of Potash was 0.41 lakh MT during the period from April to October 2017 compared to production of 0.40 lakh MT Potash in the period from April to October 2016. During the year 2017-18, the Company is likely to produce 12.33 lakh MT of Nitrogen, 0.83 lakh MT of Phosphate and 0.83 lakh MT of Potash. The details are given in the tables below:

(ACTUALS FOR 2016-17 & ANTICIPATED FOR 2017-18)

Nitrogen:

| Plant | Units | Installed Capacity | Actual Prodn. for 2016-17 | Actual Prodn. Up to Oct. 2017 | Projected for 2017-18 |
|---------------------|---------|--------------------|---------------------------|-------------------------------|-----------------------|
| Complex | | | | | |
| Production | '000 MT | 117 | 69.80 | 41.04 | 82.50 |
| Cap Utilizn | % | | 60%* | 60%* | 71%* |
| Trombay Urea | | | | | |
| Production | '000 MT | 152 | 187.49 | 112.82 | 207.00 |
| Cap Utilizn | % | | 124% | 127% | 136% |
| Thal Urea | | | | | |
| Production | '000 MT | 920 | 986.24 | 576.70 | 943.00 |
| Cap Utilizn | % | | 107% | 107% | 103% |
| RCF Total | | | | | |
| Production | '000 MT | 1189 | 1243.5 | 730.6 | 1,233 |
| Cap Utilizn | % | | 105% | 61%* | 104% |

* 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'n. For 2016-17 | Actual Prod'n. Up to Oct. 2017 | Projected for 2017-18 |
|-------------|----------|--------------------|----------------------------|--------------------------------|-----------------------|
| Complex | | | | | |
| Production | ' 000 MT | 117.00 | 69.80 | 41.04 | 82.50 |
| Cap Utilizn | % | | 60%* | 60%* | 71%* |

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

Potash:

| Plant | Units | Installed Capacity | Actual Prod'n. for 2016-17 | Actual Prod'n. Up to Oct. 2017 | Projected for 2017-18 |
|-------------|----------|--------------------|----------------------------|--------------------------------|-----------------------|
| Complex | | | | | |
| Production | ' 000 MT | 63.00 | 69.80 | 41.04 | 82.50 |
| Cap Utilizn | % | | 111% | 112% | 131% |

➤ Besides fertilizers, the company also produces a number of industrial products such as Concentrated Nitric Acid, Ammonium Bicarbonate, Dimethyl Acetamide, Ammonium Nitrate, Methyl Amines, Argon, etc.

7.9.2.1.2 Sales:

➤ During the period April-October 2017, RCF sold around 17.27 lakh MT of Fertilizers corresponding to 7.01 lakh MT of Nitrogen, 0.62 lakh MT of

Phosphate and 0.37 lakh MT of Potash.

➤ The sale of fertilizers (including bought-out products) from April to October 2016 was approximately 16.41 lakh MT corresponding to 6.59 lakh MT of Nitrogen, 0.53 lakh MT of phosphate (as P₂O₅) and 0.46 Lakh 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 37.85 Kilo Lit during the period April-October 2017. Sale of Microla was 177.93 Kilo Lit during April-October 2017. A total of 3310.25 MT of the specialty fertilizer called Sujala (Drip + Foliar variant) was sold during the period April-October 2017.

7.9.2.2 Financial Performance

During the period April September 2017, Company had sales turnover of Rs. 3327.65 Crore against Rs. 3247.38 Crore (sales are net of excise and trade and cash discount and includes subsidy) for same period in the year 2016-17. Between April to September 2017, net profit (before tax) is Rs. 57.35 Crore. For the same period between April to September in the year 2016-17, net profit (before tax) was Rs. 97.53 Crore.

7.9.3 Achievements, Activities and Grievance Redressal:

Awards & Accolades



Rashtriya Chemicals and Fertilizers Limited has been awarded the 'Best Enterprise Award' (Mini Ratna Category) 3rd Prize at the 27th National Meet of Forum of Women in Public Sector (WIPS) held on 11th & 12th February 2017 at Nagpur, Maharashtra. The Chief Guest for the event was Hon. Justice (Smt.) Vasanti A. Naik, High Court of Bombay, Nagpur Bench. The award was received by Ms. Nanda Kulkarni, CM (HR)-C along-with WIPS team members.



FICCI: EFFICIENCY IN WATER USAGE AWARD - RCF Trombay received award from Federation of Indian Chamber of Commerce and Industry (FICCI) for efficiency in water usage for the year 2016-17. Union Minister of state for Fertilizers and Chemicals Shri Mansukh L Mandaviya has conferred the award to RCF officers Shri P C Patnaik, DGM (HSE, STP-ETP) and Shri Vijay Kumar Gupta, Sr. Manager (Technical Services) on 21st September 2017 at Chemical meet in Gandhinagar, Gujarat.



ICC AWARD - Energy Conservation for 2016-17: RCF Trombay has won Indian Chemical Council (ICC), Mumbai, Certificate of Merit award for energy conservation for the year 2016-17. photo of ICC award function which was conferred by Mr. Rajeev Kapoor, Secretary, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India to Shri G N Tatwawadi, GM(Technical) RCF Trombay, Shri S D Awalkar, AGM(TS) and Shri Pankaj Chavare, Manager (TS) in the ICC

7.9.4: Major Expansion and Diversifications:

(A) Projects under execution

(i) New 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

given the competing demand for water in the city. Recognizing this, RCF is setting up another 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 will be supplied to Bharat Petroleum Corporation Ltd. (BPCL), on mutually agreed terms. Estimated

project capital cost is about Rs 209 Crore and work is underway.

(ii) Gas Turbine Generator (GTG) at

Thal:

RCF intends to reduce the specific energy consumption in its Ammonia and Urea Plants at Thal. RCF has proposed to install Gas Turbine (GT) of 2 x 32 MW ISO along with Heat Recovery Steam Generator (HRSG) of 2 x 100 MTPH capacity. At present the power requirement is met through Steam Turbo Generator (STG) of 30 MW (15 x 2 MW). The project is being executed on LSTK basis. As a part of this project, some of the steam turbine drives are proposed to be replaced with motors. The estimated energy saving is 0.35 Gcal/MT of Urea and estimated project cost is Rs. 494 Crore. The project is likely to be completed by Dec. 2017.

(iii) Trombay Urea-V Plant Revamp

(Casale Scheme):

The revamp scheme is based on End-to-End survey conducted by M/s Casale SA, Switzerland. The project has been taken-up with following objectives:

- Plant capacity: 1350 MTPD on sustained basis.
- Reduction in specific energy

consumption of Urea.

- Improving the waste water quality to Boiler Feed Water grade.

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 and work is underway.

(iv) Trombay Ammonia V Plant Revamp (KBR Scheme)

RCF is implementing energy improvement schemes in Trombay Ammonia V plant at a total estimated investment of Rs. 101.88 Crore. The Basic Engineering is being done by KBR, USA and Detail Engineering shall be done by PDIL, India. The scheme is envisaged to result in energy saving of 0.36 CGal/MT of Ammonia.

(B) Projects under Consideration:

(i) Gas Turbine at Trombay:

CF intends to install Gas Turbines (GT) of 2 x 32 MW ISO along with Heat Recovery Steam Generator (HRSG) of 2 x 65 MTPH capacity, with an aim to reduce the specific energy consumption in Ammonia and Urea Plants at Trombay. PDIL has been lined-up for preparation of Detailed Feasibility Report,

Environmental Clearance and Project Management Consultancy services. The Bidding process for implementing the project on LSTK basis is in progress. Estimated project capital cost is Rs. 481 Crore.

ii) New GT driven Process Air

Compressor at Thal:

Installation of one new higher capacity PAC-IV with GT-HRSG for energy saving. Energy saving expected is 0.217 Gcal/MT of Urea. Project is expected to be completed by Sept, 2019 at an estimated cost of Rs. 346.25 Crore.

(C) Joint Venture Projects:

(i) Coal Based Fertilizer Plant at Talcher:

RCF, along with Coal India Limited (CIL), GAIL (India) Limited 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 Talcher, Odisha based on coal gasification technology. Coal will be made available locally. Land and certain facilities needed for the project will be provided by FCIL. The project will utilize state-of-the-art Coal Gasification Technology. A joint venture company 'Talcher Fertilizers Limited' has been

incorporated for establishing and operating Coal Gasification based fertilizer complex.

Project capital cost is estimated to be approx. Rs. 11,611 Crore. LSTK tenders are floated for Coal Gasification, and for Ammonia-Urea plants.

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. It will also help in meeting much needed Urea production capacity for the eastern part of the Country.

7.9.5 Corporate Social Responsibility and Sustainable Development (CSR/SD):

7.9.5.1 The Integrated Rural Development Programme is implemented in various villages of the country. Overall development of these villages is the focal point. Some of the programmes carried out under Integrated Rural Development Programme (IRDP) are as under:

7.9.5.1.1 Meeting Basic Needs of Rural Community The scheme covers providing essential amenities like drinking water supply, school buildings, community centers,

development of irrigation systems etc.

7.9.5.1.2 Agricultural Development Programme - This focuses on economic upliftment of small / marginal farmers and landless labourers through training and education by way of two dedicated Farmers Knowledge Centers one at Nagpur (Maharashtra) and the other one Thal (district Raigad, Maharashtra).

7.9.5.1.3 Social Forestry and Waste Land Development Programme - This focuses on development of social forestry, waste land use, dry land farming.

7.9.5.1.4 Public Health & Village Sanitation Programme This covers health care, village sanitation, health camps and veterinary camps.

7.9.5.1.5 Youth and Women Skill Development Programme - Rural sports and cultural activities are organized in different villages to encourage participation by youths.

7.9.5.1.6 Soil Testing - Soil Testing activity is acknowledged to be the back-bone for the success in enhancing the National Agricultural productivity & Food security. The Company places tremendous importance on

empowering farmer to increase the yield. Soil diagnostics form the basis of determining which fertilizer needs to be used for each soil and crop. The Company has 13 Static and 6 Mobile soil testing laboratories Pan-India. Soil Samples are analyzed free of costs for the farmers and Soil health report are issued to them.

7.9.5.1.7 Micronutrient Analysis - RCF has played an exhaustive role over the years in delineation of regions of Micronutrient deficiencies Pan India through Soil Testing services. This activity has been initiated since 1981 & it continues till date. Till date RCF has analyzed almost 2 Lakh soil samples for micronutrients recommendations. Various steps taken by RCF on encouraging the balance use of fertilizer will go a long way to improve the economic scenario of the Indian farmers & the country at large.

7.9.5.1.8 RCF has established 150 number of "Kisan Suvidha Kendra", Pan-India. These centers help in - empowering the farmers by acting as a collection point for soil samples & handing over the Soil Health Report, give advisory services on Crop Cultivation Technology and many other such services.



Kisan Suvidha Kendra Inauguration

7.9.5.1.9 RCF prints and distributes 60,000 copies of monthly magazine called "RCF Sheti Patrika" free of cost to farmers. Inputs for the magazine are provided by RCF employees, agricultural experts and articles which are collected from numerous Agriculture scientists and professors. Magazine emphasizes good farming techniques and balanced nutrient application methods. RCF Sheti Patrika is available in e-format on RCF web-site and on Facebook. RCF is maintaining a dedicated Facebook

page called 'RCF Kisan Manch' for educating farmers on Scientific Agricultural practices.

RCF has launched a comprehensive mobile application (APP) called "RCF Kisan Manch" dedicated to the farmers. This APP will help farmers to get real time data like Weather reports, mandi rates, tide details, RCF Sheti Patrika magazine etc. Initially this application will be in Marathi and English, with a scope of extension to other Indian languages.



**RCF Kisan
Munch Mobile APP**

7.9.5.1.10 Use of Community Radio platform of KVK Baramati & KVK Amravati to educate farmers through an Agriculture Concept base program of 15 min. duration. The program was broadcast on the prime time slot (08.15 hrs) and has been on-Air from 27.11.2017 (KVK Baramati) & from 26.11.2017 (KVK Amravati).

7.9.6 Grievance Redressal

7.9.6.1 The Company has very good Grievance Redressal System. Any citizen having complaints in respect of the production or services rendered may approach the Company. Similarly, any aggrieved customer / dealer or other citizen can approach the Company for any failure of the quality / price charged / conduct of any officer / employee and will be dealt as under.

7.9.6.2 The grievances can be addressed to a special officer of the Company who acts as the Nodal Officer for

redressal. The name, address and telephone No. of the officers are available on Internet on Company's website www.rcfltd.com under Citizens Charter. It is assured that the Nodal Officer will immediately take up the issue with the concerned department and appropriate action will be taken within seven days from the date of receipt of the complaint or an appropriate reply is sent within seven days as the case may warrant.

7.9.6.3 A separate Grievance Redressal System is developed by the Company in issues related to staff also. A statutory Grievance Redressal Committee has been formed containing equal representatives of Management and Workmen for redressing the grievances of Workman. A Grievance Cell has also been formed, where employees can register their grievances and get replies within two weeks.

7.9.7 Human Resource Management

7.9.7.1 Number of Employees as on 1st November 2017:

| Group | Total as on 01.11.2017 | SC | ST | OBC | PHP | Ex-Servicemen | Minority |
|-------|------------------------|-----|-----|-----|-----|---------------|----------|
| A | 1357 | 226 | 59 | 156 | 14 | 1 | 77 |
| B | 1210 | 142 | 105 | 58 | 6 | 1 | 60 |
| C | 764 | 117 | 70 | 167 | 20 | 3 | 54 |
| D | 59 | 4 | 4 | 32 | 4 | 0 | 6 |
| Total | 3390 | 489 | 238 | 413 | 44 | 5 | 197 |

7.9.7.2 Employment of SC/ST, Ex-service Men, Physically Handicapped & other Backward Classes:

The guidelines regarding reservation in Recruitment and Promotion for SC, ST, OBC, Ex-Ser vicemen and Physically Handicapped Persons (PHP) are followed. Out of total strength of 3,390 there are 489 SCs, 238 STs, 413 OBCs, 5 Ex-Servicemen and 44 PHPs on the rolls of the Company.

7.9.8 Welfare Measures

7.9.8.1 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.

7.9.9 Dealership

7.9.9.1 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.

7.9.10 Efforts and initiatives taken for the Welfare, Development and Empowerment of Women and for mainstreaming gender issues.

7.9.10.1 RCF as an organization has always been fair in treating male and female employees at par. 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.

7.9.10.2 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.

7.9.10.3 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.

7.9.10.4 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 up to maximum of 180 days, leave for miscarriage or medical termination of pregnancy is allowed up to maximum 45 days. Child Adoption leave to female employee is allowed up to 90 days.

7.9.10.5 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.

7.9.10.6 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.

7.9.10.7 To strengthen this initiative, Gender Equality Policy of the Company has been issued and Gender Budget has been provided for the activity of Gender Mainstreaming.

7.9.11 Initiatives for bringing improvement in the overall performance of the Company:

7.9.11.1 'HR Aapke Dwar' Drive:

This is an initiative by the HR Department. In this, a team of HR personnel visits different plants / departments / Marketing area offices 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'.

7.9.11.2 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 mindset 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.

7.9.11.3 Initiative towards Paper less 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.

7.9.11.4 HR initiatives to improve Superior Subordinate Relationship:

- Mentor mentee relationship
- Performance improvement plan

7.9.11.5 Creating HR Brand:

- Introduction of Plant Coordinator
- Effective use of RCF web site / Intranet
- HRHelp line for communication with

employees and with general public.

- Introduction of leave bank Scheme

7.9.11.6 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
- Safety Person of the month



CHAPTER - 8

INTEGRATED NUTRIENT MANAGEMENT

8.1 Fertilizer Control Order 1985

8.1.1 In order to make available large variety of fertilizers to the farmers as per their soil requirement, different grades of fertilizers are notified under FCO Schedule-I (Part-A). At present 11 Straight Nitrogenous Fertilizers, 5 Straight Phosphatic Fertilizers, 5 Straight Potassic Fertilizers, 2 Sulphur Fertilizers, 19 NPK Complex Fertilizers and 15 NP Complex Fertilizers, 20 customized fertilizers, 25 Fortified Fertilizers, 6 Water Soluble Fertilizers and 22 Micronutrients are notified under FCO. The provision of tolerance limit in plant nutrient and physical parameters for various fertilizers are given in FCO Schedule-I (Part B).

8.1.2 In order to encourage use of organic and bio-fertilizers, bio fertilizers namely; Rhizobium, Azotobacter, Azospirillum, Phosphate Solubilizing Bacteria, Potash mobilizing Bacteria (KMB), Zinc Solubilizing Bacteria (AnSB),

Mycorrhizae, Acetobacter and Consortia of bio-fertilizers have been incorporated in FCO, 1985. Generalized specifications of organic manures and bio enriched organic manure, namely, City compost, Vermi compost, Phosphate Rich Organic manure(PROM) and Organic Manure, Bone meal raw and Bone meal steamed are notified under FCO Schedule IV. Besides this, specification of Non-Edible De-Oiled cake/Caster-Oiled cake fertilizers is notified under FCO Schedule-V.

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. 15 crore for this purpose has been allocated for the financial year 2017-18.

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.

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 Management 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 158 fertilizer manufacturers, 22,327 wholesalers and 2,66,065 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.

◆●●●◆

- Warehouse details
- Wholesaler details

◆●●●○ 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 are 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. **Production & Movement of SSP:** Around 106 companies manufacturing and supplying SSP in the country are entering their transactions on the system.
8. **The MIS provided on iFMS gives up to date information about the fertilizers. Some of the indicative reports are:**

- State-wise/ Distt-wise/ Finished Good-wise/ Dispatch Report.
- State-wise/ Distt-wise/ Finished Good-wise/ Sales Report.
- District-wise-Distribution wise sale Report.
- ◆◆□□●□ 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 capture the movement of fertilizers from one point to another. This would be beneficial in monitoring the accurate quantity of fertilizers at a particular place at a particular time. 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. Vehicle Challan can be generated for all Dispatches of current date.

9.7.2 Details Captured in the R.O Module

- The information of truck carrying the Fertilizer.
- Movement of Fertilizer from plant/port to loading rake point when the rake point is not inside the plant/port.
- 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.

9.7.3 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. 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 2.5 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 Aadhar based biometric authentication or Voter ID card or Kisan Credit Card (KCC) in Aadhar exempted states. The software allows for payment by cash or BHIM app or AePS (Aadhar enabled Payment System). Company wise, Plant wise, Product wise sales are captured online in the Integrated Fertilizer Monitoring 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

● of Fertilizers

●Receipt Acknowledgement

☞■✕◆✕☞● Stock Reporting

☞✕●●Receipts

●Reports

9.7.4 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

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 P u b l i c I n f o r m a t i o n O f f i c e r s , 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. C o u n t e r o p e n e d a t P u b l i c 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 D o P T ,

<http://rtionline.gov.in/RTIMIS>

10.5 During the year 2017 - 18, 440 applications and 21 appeals were received physically and online out of which 429 applications and all appeals were disposed off during the year and the remaining 11 out of 440 applications 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 Undertakings. The Vigilance Division is headed by Joint Secretary who is designated as Chief Vigilance Officer of the Department. The CVO is assisted by a Director/Deputy Secretary, Under Secretary and a Section Officer along with other 3 vigilance staff. Vigilance related activities are carried out within the framework provided by the DoPT, CVC and Department of Public Enterprises. The department plays a pro active role in ensuring the prompt disposal of the complaints and in framing preventive guidelines. Efforts are made by the Department to simplify the procedures 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 30

October to 4th November, 2017. 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 Secretary (Fertilizers) 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 2016 have been finalized and sent to CBI. Further, regarding complaints received in Vigilance Division of this Department, as on 01.01.2017, there were 27 complaints from various sources including from CVC. 11 more complaints were received during the year, 2017. 15 complaints were disposed off in the year 2017. The balance complaints are at various stages of examination and are under process.



CHAPTER - 12

PROGRESSIVE USE OF OFFICIAL LANGUAGE

12.1.1 Progressive use of official language

Hindi

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 of the Union. The work pertaining to the progressive use of Hindi in the Department, its attached office and 8 PSUs is under the administrative control of Joint Secretary (Administration). For his assistance, posts of two Deputy Directors (OL), two Assistant Directors (OL), three Senior Translators & one Junior Translator are created. Department of Fertilizers continued its efforts towards greater use of Hindi in official work during 2017-2018 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. Adequate reading material in Hindi has been made available in the library of the Ministry of Chemicals & Fertilizers. 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 and 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.

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 2017-18 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 8 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, 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, has been reconstituted and its meeting has been organised on 01.07.2017 in Bengaluru, Karnataka.

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.

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, an appeal was made by the Honourable Minister of Chemicals and Fertilizers on 14th, September 2017. 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 14th September, 2017 to 28th September, 2017, 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 35 officers / employees won prizes. Prizes are distributed by Hon'ble, Secretary (F).

12.11 Prati Din Ek Shabd

The Scheme named 'Prati Din Ek Shabd', which has been launched in the Department is continued for the last eight years. Under this scheme, one word/phrase in Hindi and its English equivalent is being displayed on the White Board installed on the second floor 'A' wing Shastri Bhavan. These words/phrases are generally of administrative and technical in nature which are used in day-to-day official work.

12.12 Hindi Workshops

During the year, 3 Hindi workshops for Section Officers / PSs / Assistants / 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. 21 officers / employees participated in these workshops.

12.13 Inspections regarding progressive use of Hindi

In order to oversee the implementation of the official language policy 7 sections of the department & 5 offices/units of different PSUs were inspected by the Assistant Director (OL) of the Department during the year. In addition, the first Sub-Committee of the Parliamentary Committee on Official Language inspected 2 offices of PSUs under the administrative control of the Department. Joint Secretary (Admn) and /Assistant Director (OL) represented the Department in these inspection meetings.



Sh. Ananth Kumar, Hon'ble Minister presided Hindi Advisory Committee of Ministry of Chemicals & Fertilizers held on 1st July, 2017 at Bengaluru.



Sh. Ananth Kumar, Hon'ble Minister presented the "RajyaBhasha Shild" to Sh. S.K. Lohani, Joint Secretary and CMD, FACT, Kochi, Kerala during Hindi Advisory Committee held on 1st July, 2017 at Bengaluru



Sh. Ananth Kumar, Hon'ble Minister presented the "RajyaBhasha Shield" to Sh. Manoj Mishra CMD, NFL, Noida during Hindi Advisory Committee held on 1st July, 2017 at Bengaluru.



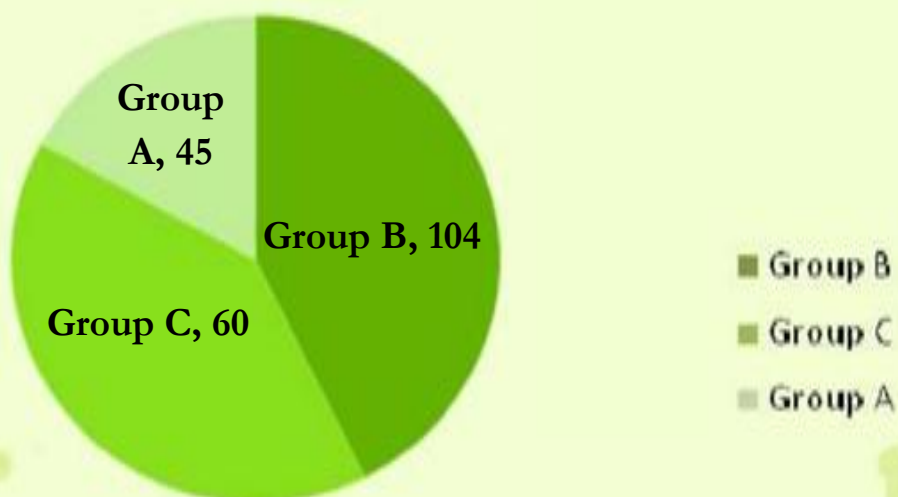
CHAPTER - 13

WELFARE OF SCs, STs, OBCs 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.

Staff Position (GroupWise) in Department of Fertilizers



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 2017-18 (up to 01/12/2017) no sexual harass

CHAPTER - 14

SEVOTTAM

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/CPENGGRAMS> (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 and the status of disposal is monitored. During 2017-18 Department of Fertilizers, received 549 public grievance cases (as on 31/12/2017), directly or through other Departments, out of which 435 cases were disposed and 114 cases are at different stages of processing.

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.



CHAPTER - 15

AUDIT REPORT

(Report No. 12 of 2017)

15.1 Non-recovery of interest on overpaid subsidy

Interest of ` 25.78 crore was not recovered on overpaid subsidy due to downward revision of concession rate.

Status on the above para provided by Fertilizer Industry Coordination Committee (FICC)

Fertilizer Industry Coordination Committee instituted a revised procedure (26 March 2004) for submission of bills for payments / recoveries in respect of urea units. As per this procedure, in case of any recovery from units arising out of de-escalation in the input prices and consequent downward revision in the group concession rate, the differential amount¹

was required to be deposited by these units within a period of 45 days. Delayed credits attracted interest at the rate of 3 percent above the State Bank of India's prime lending rates.

Test check of records for the years 2013-14 to 2015-16 revealed that consequent upon notification of de-escalation of concession price, the urea units mentioned in the table below were required to deposit the differential amount of ` 1506.03 crore to FICC. It was, however, observed that instead, FICCI recovered/ adjusted the amounts from the subsequent subsidy payments to these units, and though delays in such recovery/adjustment ranged from 8 to 142 days, FICC did not recover interest of ` 25.78 crore. Details are given below:

| Sl. No. | Name of the Unit | Date of notification of de-escalation | Due date by which the differential amount was to be deposited by the unit | Date on which differential amount was recovered by FICC from subsequent bill | Delay in recovery of the differential amount (delay in days) | Amount recovered by FICC on account of annual de-escalation (₹ in crore) | Prime lending rate on the due date | Rate of interest required to be levied (3 per cent above SBI prime lending rate) | Non recovery of interest (₹ in crore) ² |
|---------|---|---------------------------------------|---|--|--|--|------------------------------------|--|--|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| 1. | Chambal Fertilizers and Chemicals Ltd-I | 01.10.2013 | 15.11.2013 | 02.04.2014 | 137 | 15.60 | 14.75 | 17.75 | 1.03 |
| | | 06.01.2015 | 20.02.2015 | 06.04.2015 | 44 | 53.14 | 14.75 | 17.75 | 1.14 |

1. Difference between net realisation and rate of concession

2. Calculation of non-recovery of interest = (Col. F x Col. H x Col. E) / (100x365)

Department of Fertilizers

| | | | | | | | | | |
|-------|--|------------|------------|------------|-----|---------|-------|-------|-------|
| 2. | Gujarat Narmada Valley Fertilizers Corporation | 26.11.2013 | 10.01.2014 | 04.04.2014 | 83 | 12.22 | 14.75 | 17.75 | 0.49 |
| | | 09.06.2015 | 24.07.2015 | 12.08.2015 | 18 | 207.01 | 14.45 | 17.45 | 1.78 |
| 3. | Indo Gulf Fertilizers | 22.12.2014 | 05.02.2015 | 07.04.2015 | 60 | 41.44 | 14.75 | 17.75 | 1.20 |
| 4. | KRIBHCO | 12.09.2013 | 27.10.2013 | 22.01.2014 | 86 | 119.47 | 14.55 | 17.55 | 4.94 |
| 5. | National Fertilizers Ltd, Vijaypur-II | 11.12.2012 | 25.01.2013 | 16.04.2013 | 80 | 116.89 | 14.50 | 17.50 | 4.48 |
| | | 10.02.2015 | 27.03.2015 | 07.04.2015 | 10 | 178.55 | 14.75 | 17.75 | 0.86 |
| 6. | National Fertilizers Ltd, Bhatinda | 24.06.2015 | 08.08.2015 | 17.08.2015 | 08 | 515.18 | 14.45 | 17.45 | 1.97 |
| | | | | 15.09.2015 | 37 | 39.04 | 14.45 | 17.45 | 0.69 |
| 7. | Tata Chemicals Ltd. | 30.11.2012 | 14.01.2013 | 06.06.2013 | 142 | 79.33 | 14.50 | 17.50 | 5.40 |
| | | 22.01.2015 | 08.03.2015 | 07.04.2015 | 29 | 128.16 | 14.75 | 17.75 | 1.80 |
| Total | | | | | | 1506.03 | | | 25.78 |

Thus, non-observance of the prescribed procedure by FICC resulted in non-recovery of interest of ` 25.78 crore on delayed credits arising due to de-escalates in concession rate.

Department of Fertilizers (DoF) replied (May 2016) that sometimes, FICC was unable to make timely subsidy payments to the urea units due to nonavailability of budget, but no interest was paid to the units. If interest was levied on the units

for delayed recovery/adjustment of downward revision of group concession rate, the urea units may resort to litigation, and FICC may not be able to defend their stand.

The reply of DoF is not acceptable. The provision for recovery of interest was instituted by FICC, and it was presumably done with full understanding of ground realities.

Note : – ATNs in respect of Audit observations included in the Annual Report for the year 2015-16, 2016-17 and 2017-18 are at Annexure - XXVII.

ANNEXURES

(I-XXVII)

ANNEXURE - I

**UNIT- WISE INSTALLED/REASSESSED CAPACITY
& PRODUCTION OF ALL FERTILIZERS DURING 2017-18
& ESTIMATED PRODUCTION DURING 2017-18**

(Fig. In 'LMT')

| NAME OF PLANTS | PRODUCT NAME | Installed/Reassessed Capacity (as on 01.04.2017) | PRODUCTION DURING 2016-17 | ESTIMATED PRODUCTION DURING 2017-18 * |
|----------------------|--------------|--|---------------------------|---------------------------------------|
| PUBLIC SECTOR | | | | |
| NFL:Nangal-II | Urea | 4.79 | 5.02 | 5.45 |
| NFL:Bhatinda | Urea | 5.12 | 5.68 | 5.58 |
| NFL:Panipat | Urea | 5.12 | 5.43 | 5.52 |
| NFL:Vijaipur | Urea | 8.65 | 10.58 | 10.44 |
| NFL:Vijaipur Expn. | Urea | 8.65 | 11.39 | 10.76 |
| Total(NFL): | | 32.31 | 38.10 | 37.76 |
| BVFCL:Namrup-II | Urea | 2.40 | 0.60 | 0.66 |
| BVFCL:Namrup-III | Urea | 3.15 | 2.50 | 2.23 |
| Total(BVFCL): | | 5.55 | 3.11 | 2.89 |
| FACT:Udyogamandal | A/S | 2.25 | 1.53 | 1.75 |
| | 20:20 | 1.49 | 1.65 | 1.57 |
| FACT:Cochin-II | 20:20 | 4.85 | 4.93 | 5.24 |
| Total(FACT): | | 8.59 | 8.11 | 8.55 |
| RCF:Trombay V | 15:15:15 | 4.20 | 4.65 | 5.01 |
| | 10:26:26 | 0.00 | 0.00 | 0.00 |
| RCF:Trombay-V | 20.8:20.8 | 0.00 | 0.00 | 0.00 |
| | 20:20 | 2.70 | 0.00 | 0.00 |
| RCF:Trombay-V | Urea | 3.30 | 4.08 | 4.39 |
| RCF:Thal | Urea | 17.07 | 21.44 | 20.53 |
| Total(RCF): | | 27.27 | 30.17 | 29.92 |

| | | | | |
|-------------------------------|----------------|--------|--------|--------|
| MFL:Chennai | Urea | 4.87 | 4.68 | 4.15 |
| | 20:20 | 0.00 | 0.00 | 0.00 |
| | 19:19:19 | 0.00 | 0.00 | 0.00 |
| | 17:17:17 | 8.40 | 0.49 | 1.29 |
| Total(MFL): | | 13.27 | 5.17 | 5.44 |
| Total (PUBLIC SECTOR): | | 86.98 | 84.66 | 84.56 |
| COOPERATIVE SECTOR | | | | |
| IFFCO:Kandla | 10:26:26 | 5.15 | 7.20 | 6.96 |
| | 12:32:16 | 7.00 | 8.56 | 7.73 |
| | 12:32:16:0.5Zn | 0.00 | 0.11 | 0.00 |
| | DAP | 12.00 | 9.18 | 9.10 |
| Total(Kandla): | | 24.15 | 25.05 | 23.78 |
| IFFCO:Kalol | Urea | 5.45 | 6.02 | 5.99 |
| IFFCO:Phulpur-I | Urea | 5.51 | 6.32 | 7.14 |
| IFFCO:Phulpur-II | Urea | 8.65 | 9.92 | 9.36 |
| IFFCO:Aonla | Urea | 8.65 | 10.69 | 9.10 |
| IFFCO:Aonla- II | Urea | 8.65 | 10.34 | 9.27 |
| (IFFCO ALL UNITS): | | 61.05 | 43.27 | 40.86 |
| IFFCO:Paradeep | DAP | 15.00 | 8.69 | 10.74 |
| | 12:32:16 | 1.60 | 0.74 | 0.23 |
| | 20:20 | 1.00 | 5.79 | 5.61 |
| | 10:26:26 | 1.60 | 1.10 | 0.10 |
| Total(Paradeep): | | 19.20 | 16.31 | 16.68 |
| KRIBHCO:Hazira | Urea | 17.29 | 23.53 | 23.14 |
| Total (COOP. SECTOR): | | 97.54 | 108.17 | 104.46 |
| Total (PUB+COOP): | | 184.52 | 192.83 | 189.02 |

Note: * Actual Production during April, 2017 to October, 2017 and target from November, 2017 to March, 2018

Sources : mfms.nic.in as on 14.11.2017

Private Sector

(Fig. In 'LMT')

| NAME OF PLANTS | PRODUCT NAME | Installed/ Reassessed Capacity (as on 01.04.2017) | PRODUCTION DURING 2016-17 | ESTIMATED PRODUCTION DURING 2017-18 * |
|------------------------------|--------------|---|---------------------------|---------------------------------------|
| GSFC:Vadodara | Urea | 3.71 | 3.59 | 3.02 |
| | A/S | 2.28 | 3.37 | 3.43 |
| | DAP | 0.00 | 0.00 | 0.00 |
| | 20:20 | 2.00 | 2.72 | 2.71 |
| Total(GSFC Vadodara): | | 7.99 | 9.68 | 9.16 |
| GSFC:Sikka-I | DAP | 3.26 | 4.12 | 4.04 |
| | 10:26:26 | 0.00 | 0.23 | 0.48 |
| | 20:20 | 0.00 | 0.42 | 0.71 |
| | 12:32:16 | 0.00 | 0.15 | 0.83 |
| GSFC:Sikka-II | DAP | 3.96 | 0.00 | 2.00 |
| Total(GSFC Sikka): | | 7.22 | 4.92 | 8.07 |
| CIL:Vizag | 28:28 | 0.00 | 3.94 | 4.51 |
| | 14:35:14 | | | 0.00 |
| | 20:20 | 10.00 | 5.65 | 5.60 |
| | 14:35:14 | 0.00 | 0.01 | 0.00 |
| | 17:17:17 | 0.00 | 0.04 | 0.00 |
| | UAP 20:20 | 0.00 | 0.20 | 0.23 |
| | 24:24:0, | 0.00 | 0.11 | 0.57 |
| | 10:26:26 | 0.00 | 0.10 | 0.57 |
| | DAP | 0.00 | 1.17 | 0.00 |
| Total(CIL Vizag): | | 10.00 | 11.23 | 11.48 |
| SFC:Kota | Urea | 3.80 | 3.94 | 4.11 |
| KFCL:Kanpur | Urea | 7.23 | 7.23 | 7.22 |

| | | | | |
|-------------------------|----------|-------------|-------|-------|
| ZACL:Goa | Urea | 3.99 | 4.65 | 4.67 |
| | DAP | 3.30 | 1.51 | 1.79 |
| | 19:19:19 | 3.30 | 0.68 | 0.78 |
| | 10:26:26 | 0.00 | 3.02 | 4.25 |
| | 14:35:14 | 0.00 | 0.00 | 0.00 |
| | 12:32:16 | 0.00 | 0.63 | 0.85 |
| Total(ZACL): | | 10.59 | 10.49 | 12.33 |
| SPIC:Tuticorin | Urea | 6.20 | 5.63 | 6.21 |
| Greenstar Fert. Ltd. | DAP | 3.47 | 3.20 | 3.16 |
| | 20:20 | 2.59 | 2.32 | 2.41 |
| | 17:17:17 | 0.00 | 0.00 | 0.00 |
| Total(SPIC+GFL): | | 12.26 | 11.15 | 11.78 |
| MCFL:Mangalore | Urea | 3.80 | 3.80 | 3.90 |
| | DAP | 2.20 | 1.60 | 1.78 |
| | 16:20 | 0.00 | 0.00 | 0.00 |
| | 20:20 | 0.40 | 1.02 | 0.99 |
| | 10:26:26 | 0.00 | 0.00 | 0.00 |
| Total(MCFL): | | 6.40 | 6.42 | 6.68 |
| GNFC:Bharuch | Urea | 6.37 | 6.90 | 6.48 |
| | 20:20 | 1.43 | 2.21 | 2.15 |
| Total(GNFC): | | 7.79 | 9.11 | 8.63 |

Department of Fertilizers

| | | | | |
|------------------------------|-----------------|-------|------|------|
| CIL:Ennore | 16:20 | 3.30 | 0.98 | 2.18 |
| | 20:20 | 0.00 | 0.45 | 0.00 |
| Total(CFL:Ennore): | | 3.30 | 1.43 | 2.18 |
| Smartchem/DFCL:Taloja | 24:24:0, | 3.00 | 2.18 | 2.33 |
| | 10:26:26 | 0.00 | 0.22 | 2.04 |
| | 12:32:16 | 3.00 | 0.14 | 0.94 |
| | 20:20 | 0.00 | 0.00 | 1.77 |
| | 16:16:16, | 0.00 | 0.00 | 0.00 |
| Total: DFCL | | 6.00 | 2.54 | 7.08 |
| TCL:Haldia | DAP | 6.70 | 1.46 | 1.43 |
| | 10:26:26 | 0.00 | 2.11 | 2.13 |
| | 12:32:16 | 0.00 | 0.00 | 0.26 |
| | 20:20 | 0.00 | 0.00 | 0.00 |
| | 14:35:14 | 0.00 | | |
| | 15:15:15 | 0.00 | | |
| Total(TCL): | | 6.70 | 3.57 | 3.82 |
| CIL:Kakinada | DAP | 19.25 | 3.43 | 6.37 |
| | 12:32:16 | 0.00 | 0.00 | 0.00 |
| | 10:26:26 | 0.00 | 2.27 | 2.83 |
| | 28:28 | 0.00 | 0.29 | 1.02 |
| | 14:35:14 | 0.00 | 2.44 | 3.22 |

| | | | | |
|--------------------------------|----------|-------|-------|-------|
| | 17:17:17 | 0.00 | 0.16 | 0.00 |
| | 20:20 | 0.00 | 2.88 | 4.46 |
| | 14:28:14 | 0.00 | 0.00 | 0.00 |
| Total (Kakinada): | | 19.25 | 11.48 | 17.90 |
| NFCL:Kakinada | Urea | 5.97 | 7.88 | 8.06 |
| NFCL:Kakinada Expn. | Urea | 5.97 | 7.10 | 7.88 |
| Total(NFCL): | | 11.95 | 14.98 | 15.94 |
| Grasim/ IGFL:Jagdishpur | Urea | 8.65 | 11.61 | 11.86 |
| Hindalco .:Dahej | DAP | 4.00 | 3.00 | 3.00 |
| CFCL:Gadepan-I | Urea | 8.65 | 9.66 | 11.34 |
| CFCL:Gadepan-II | Urea | 8.65 | 10.36 | 9.61 |
| Total(CFCL): | | 17.29 | 20.02 | 20.96 |
| TCL:Babrala | Urea | 8.65 | 12.14 | 12.67 |
| KFL/ KSFL:Shahjahanpur | Urea | 8.65 | 9.32 | 8.89 |
| PPL:Paradeep | DAP | 7.20 | 6.28 | 6.95 |
| | 20:20 | 0.00 | 5.40 | 4.41 |
| | 15:15:15 | 0.00 | 0.00 | 0.00 |
| | 12:32:16 | 0.00 | 0.45 | 0.54 |
| | 10:26:26 | 0.00 | 1.01 | 0.89 |
| | 14:35:14 | 0.00 | 0.00 | 0.00 |
| Total(PPL): | | 7.20 | 13.14 | 12.80 |

Department of Fertilizers

| | | | | |
|--------------------------------|-----|--------|--------|--------|
| Matix Group. Cor. | | | 0.00 | 2.89 |
| SSP Units | SSP | 120.85 | 44.18 | 73.76 |
| Total (PRIVATE SECTOR): | | 295.75 | 221.58 | 273.18 |
| Total (PUB+COOP+PVT): | | 480.27 | 414.41 | 462.20 |

Note: * Actual Production during April, 2017 to October, 2017 and target from November, 2017 to March, 2018

Sources : mfms.nic.in as on 14.11.2017

ANNEXURE - II

PRODUCT-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING 2016-17 AND ESTIMATED PRODUCTION DURING 2017-18

| PRODUCT NAME | Installed/Reassessed Capacity (as on 01.04.2017) | PRODUCTION DURING 2016-17 | ESTIMATED PRODUCTION DURING 2017-18 * |
|-----------------|---|------------------------------|---|
| UREA | 207.54 | 242.01 | 242.51 |
| A/S | 4.53 | 4.90 | 5.18 |
| DAP | 80.34 | 43.65 | 50.36 |
| SSP | 120.85 | 44.18 | 73.76 |
| 20:20 | 26.45 | 35.44 | 37.64 |
| 15:15:15 | 4.20 | 4.65 | 5.01 |
| 20:8:20:8 | 0.00 | 0.00 | 0.00 |
| 17:17:17 | 8.40 | 0.69 | 1.29 |
| 10:26:26 | 6.75 | 17.27 | 20.24 |
| 12:32:16 | 11.60 | 10.66 | 11.38 |
| 12:32:16:0.5Zn | 0.00 | 0.11 | 0.00 |
| 14:35:14 | 0.00 | 2.45 | 3.22 |
| 19:19:19 | 3.30 | 0.68 | 0.78 |
| 28:28 | 0.00 | 4.23 | 5.53 |
| 24:24:0, | 3.00 | 2.29 | 2.89 |
| 16:16:16, | 0.00 | 0.00 | 0.00 |
| UAP 20:20 | 0.00 | 0.20 | 0.23 |
| 16:20 | 3.30 | 0.98 | 2.18 |
| TOTAL: | 480.27 | 414.41 | 462.20 |
| Complexes: | 67.00 | 79.66 | 90.38 |

**SECTOR-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS
DURING 2016-17 AND ESTIMATED PRODUCTION DURING 2017-18**

| SECTOR NAME | Installed/Reassessed Capacity (as on 01.04.2017) | PRODUCTION DURING 2016-17 | ESTIMATED PRODUCTION DURING 2017-18 * |
|------------------------|---|--------------------------------------|--|
| Public | 86.98 | 84.66 | 84.56 |
| Cooperative | 97.54 | 108.17 | 104.46 |
| Private | 295.75 | 221.58 | 273.18 |
| TOTAL | 480.27 | 414.41 | 462.20 |

Note: * Actual Production during April, 2017 to October, 2017 and target from November, 2017 to March, 2018

Sources : mfms.nic.in as on 14.11.2017

ANNEXURE - III

PRODUCTION OF UREA, DAP & COMPLEX FERTILIZERS FROM 2001-02 TO 2017-18 (upto October, 2017))

(Fig. in 'LMT')

| YEAR | UREA | DAP | COMPLEX FERTILIZERS | TOTAL |
|--------------------------------|--------|-------|------------------------|--------|
| 2001-2002 | 191.78 | 50.95 | 49.09 | 291.82 |
| 2002-2003 | 187.26 | 52.41 | 48.59 | 288.26 |
| 2003-2004 | 192.03 | 47.32 | 45.14 | 284.49 |
| 2004-2005 | 202.63 | 51.85 | 53.67 | 308.15 |
| 2005-2006 | 200.98 | 46.28 | 67.66 | 314.92 |
| 2006-2007 | 203.08 | 48.52 | 74.64 | 326.24 |
| 2007-2008 | 198.57 | 42.12 | 58.50 | 299.19 |
| 2008-2009 | 199.22 | 29.93 | 68.48 | 297.63 |
| 2009-2010 | 211.12 | 42.47 | 80.38 | 333.97 |
| 2010-2011 | 218.80 | 35.37 | 87.27 | 341.44 |
| 2011-2012 | 219.84 | 39.63 | 77.70 | 337.17 |
| 2012-2013 | 225.75 | 36.47 | 61.80 | 324.02 |
| 2013-2014 | 227.15 | 36.11 | 69.13 | 332.39 |
| 2014-2015 | 225.85 | 34.44 | 78.32 | 338.61 |
| 2015-2016 | 244.75 | 37.87 | 83.01 | 365.63 |
| 2016-2017 | 242.01 | 43.65 | 79.66 | 365.32 |
| 2017-2018 (upto October,17) | 135.47 | 29.75 | 47.80 | 213.02 |

IV-ANNEXURE

UREA OF PRODUCTION ACTUAL WISE-UNIT
217) OCTOBER, (UPTO 18-2017 TO 08-2007 FROM

| (Fig. in LMT) | | | | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------------------|
| NAME OF PLANTS | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 (upto October, 2017) |
| PUBLIC SECTOR:- | | | | | | | | | | | |
| NEL:Nangal-II | 4.79 | 5.1 | 4.74 | 4.79 | 5.03 | 4.71 | 3.95 | 4.79 | 5.46 | 5.02 | 3.39 |
| NEL:Bhatinda | 5.12 | 5.4 | 5.15 | 5.53 | 4.83 | 3.94 | 5.60 | 5.61 | 5.48 | 5.68 | 3.13 |
| NEL:Panipat | 5.12 | 4.9 | 5.13 | 4.70 | 5.00 | 4.14 | 5.11 | 5.12 | 5.67 | 5.43 | 3.42 |
| NEL:Vijaipur | 9.00 | 8.7 | 8.79 | 9.17 | 9.02 | 9.66 | 10.06 | 9.51 | 9.90 | 10.58 | 5.99 |
| NEL:Vijaipur Expn | 8.67 | 9.4 | 9.50 | 9.62 | 10.12 | 9.65 | 11.62 | 11.38 | 11.46 | 11.39 | 5.65 |
| Total(NEL):- | 32.68 | 33.44 | 33.30 | 33.80 | 34.00 | 32.11 | 36.35 | 36.39 | 37.98 | 38.10 | 21.58 |
| BVECL:Namrup-II | 0.77 | 0.6 | 0.79 | 0.86 | 1.02 | 1.09 | 0.71 | 0.98 | 0.66 | 0.60 | 0.30 |
| BVECL:Namrup-III | 2.52 | 1.3 | 2.30 | 1.99 | 1.77 | 2.81 | 2.35 | 2.61 | 2.56 | 2.50 | 1.01 |
| Total(BVECL):- | 3.29 | 1.89 | 3.10 | 2.85 | 2.79 | 3.91 | 3.06 | 3.59 | 3.23 | 3.11 | 1.31 |
| RCE:Trombay-V | 0.00 | 0.0 | 3.07 | 3.41 | 3.36 | 3.84 | 3.53 | 4.24 | 4.52 | 4.08 | 2.45 |
| RCE:Thal | 18.32 | 19.0 | 17.82 | 17.83 | 17.73 | 19.52 | 19.93 | 21.78 | 20.98 | 21.44 | 12.54 |
| Total(RCE):- | 18.32 | 19.03 | 20.89 | 21.25 | 21.09 | 23.36 | 23.46 | 26.02 | 25.50 | 25.52 | 14.99 |
| MEL:Chennai | 4.41 | 4.1 | 4.36 | 4.78 | 4.87 | 4.36 | 4.87 | 3.29 | 4.09 | 4.68 | 1.97 |
| TOTAL PUBLIC SECTOR:- | 58.70 | 58.42 | 61.64 | 62.67 | 62.74 | 63.73 | 67.74 | 69.29 | 70.80 | 71.41 | 39.85 |

| | | | | | | | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| COOP. SECTOR: | | | | | | | | | | | |
| IEFCO:Kalol | 5.45 | 5.6 | 6.01 | 6.00 | 6.00 | 6.00 | 6.00 | 5.97 | 6.01 | 6.02 | 3.33 |
| IEFCO:Phulpur | 6.30 | 6.6 | 7.23 | 7.45 | 7.01 | 6.73 | 6.52 | 5.78 | 7.58 | 6.32 | 3.97 |
| IEFCO:Phulpur Expn. | 9.24 | 8.4 | 10.00 | 10.26 | 11.33 | 9.92 | 9.51 | 8.84 | 10.54 | 9.92 | 4.71 |
| IEFCO:Aonla | 8.76 | 9.9 | 10.00 | 9.89 | 10.66 | 10.92 | 11.03 | 10.47 | 11.33 | 10.69 | 4.40 |
| IEFCO:Aonla Expn. | 9.89 | 10.2 | 10.00 | 10.43 | 9.87 | 11.53 | 10.74 | 10.21 | 11.23 | 10.34 | 4.42 |
| Total(IEFCO): | 39.63 | 40.68 | 43.25 | 44.02 | 44.87 | 45.10 | 43.80 | 41.27 | 46.68 | 43.27 | 20.83 |
| KRIBHCO:Hazira | 17.40 | 17.4 | 17.80 | 18.40 | 14.32 | 21.32 | 22.10 | 22.25 | 22.68 | 23.53 | 13.61 |
| TOTAL COOP. SECTOR: | 57.03 | 58.11 | 61.04 | 62.43 | 59.19 | 66.42 | 65.90 | 63.51 | 69.36 | 66.81 | 34.43 |
| Total (Pub.+Coop.) | 115.73 | 116.54 | 122.68 | 125.10 | 121.94 | 130.15 | 133.64 | 132.80 | 140.15 | 138.21 | 74.28 |
| PRIVATE SECTOR: | | | | | | | | | | | |
| GSEC:Vadodara | 2.41 | 2.4 | 2.82 | 2.5 | 2.87 | 3.48 | 3.22 | 3.52 | 3.61 | 3.59 | 1.62 |
| SFC:Kota | 3.81 | 4.0 | 3.82 | 4.0 | 3.86 | 3.85 | 4.03 | 3.97 | 4.01 | 3.94 | 2.35 |
| KFCL (DIL):Kanpur | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.00 | 3.13 | 6.41 | 7.17 | 7.23 | 4.23 |
| ZACL:Goa | 3.95 | 4.1 | 3.88 | 4.0 | 3.65 | 3.86 | 3.76 | 3.63 | 4.00 | 4.65 | 2.63 |
| SPIC:Tuticorin | 0.00 | 0.0 | 0.00 | 3.0 | 6.22 | 4.83 | 2.86 | 4.92 | 6.20 | 5.63 | 4.25 |
| MCE:Mangalore | 3.80 | 3.8 | 3.80 | 3.8 | 3.79 | 3.80 | 3.79 | 2.51 | 3.80 | 3.80 | 2.27 |
| GNFC:Bharuch | 6.70 | 5.9 | 6.02 | 6.4 | 7.02 | 7.09 | 6.96 | 7.04 | 6.91 | 6.90 | 3.64 |
| IGF:Jagdishpur | 8.80 | 10.7 | 10.96 | 11.0 | 11.62 | 10.85 | 10.36 | 10.22 | 12.08 | 11.61 | 6.85 |
| NFCL:Kakinada-I | 7.57 | 7.7 | 7.57 | 8.3 | 7.93 | 7.88 | 6.47 | 3.48 | 6.31 | 7.88 | 4.74 |
| NFCL:Kakinada-II | 5.97 | 6.1 | 7.23 | 8.2 | 7.69 | 7.78 | 7.80 | 5.83 | 7.11 | 7.10 | 4.60 |
| CECL:Gadepan-I | 10.04 | 9.1 | 10.20 | 10.3 | 11.07 | 10.36 | 9.91 | 9.76 | 10.91 | 9.66 | 6.66 |
| CECL:Gadepan-II | 9.96 | 10.1 | 10.11 | 10.7 | 10.40 | 10.56 | 9.51 | 8.76 | 10.35 | 10.36 | 5.09 |
| TCL:Babrala | 10.70 | 10.2 | 12.32 | 11.2 | 11.65 | 11.20 | 11.37 | 12.50 | 12.31 | 12.14 | 7.66 |
| KSEL:Shahjhanpur | 9.13 | 8.6 | 9.73 | 10.3 | 10.16 | 10.08 | 10.35 | 10.50 | 9.83 | 9.32 | 4.58 |
| Matix Fertilizers and Chemicals Ltd. | | | | | | | | | | | 0.04 |
| TOTAL PRIVATE SECTOR: | 82.84 | 82.69 | 88.44 | 93.71 | 97.91 | 95.59 | 93.52 | 93.05 | 104.60 | 103.79 | 61.19 |
| TOTAL(PUB.+COOP.+PVT.): | 198.57 | 199.22 | 211.12 | 218.80 | 219.84 | 225.75 | 227.15 | 225.85 | 244.75 | 242.01 | 135.47 |

ANNEXURE - V

LIST OF SUBJECTS FALLING WITHIN THE JURISDICTION OF DEPARTMENT OF FERTILIZERS

A

1. Planning for fertilizers production, including import of Urea through designated canalizing agencies.
2. Allocation and supply linkages for movement and distribution of fertilizers in terms of assessment made by the Department of Agriculture & Cooperation.
3. Administration of concession schemes and management of subsidy for controlled as well as decontrolled fertilizers, including quantum of concession for decontrolled fertilizers.
4. Administration of the Fertilizers (Movement control) order 1973 verify.
5. Policy and pricing matters relating to Urea.
6. All matters pertaining to disinvestment of fertilizers PSUs.
7. All matters pertaining to Fertilizers Projects, Joint venture/Joint Sector Companies.
8. External assistance for new Fertilizers Projects.
9. Matters connected with supply and availability of Fertilizers raw materials and marketing of fertilizers.
10. Fixation of remuneration rate for handling imported Urea.
11. Work relating to planning, monitoring and valuation of fertilizers production.
12. All matters relating to WTO in the fertilizers sector.
13. Direct Benefits Transfer (DBT)

B

FICC (Fertilizers Industry Coordination Committee): an attached office of DOF, which is concerned with cost aspects of Urea Production/for determination of subsidy and disbursement of subsidy on indigenous urea.

ANNEXURE - VI

LIST OF OFFICERS IN THE DEPARTMENT (AS ON 01/11/2017)

| | |
|--|--|
| Minister (C&F) | Sh. Ananth Kumar |
| Minister of State for C&F | Sh. Mansukh L. Mandaviya |
| Minister of State for C&F | Sh. Rao Inderjit Singh |
| Secretary | Smt. Bharathi S Sihag |
| Additional Secretary & Financial Advisor | Ms. Meenakshi Gupta |
| Additional Secretary | Sh. Dharam Pal |
| Joint Secretaries | Smt. Alka Tiwari Sh. Sushil Kumar Lohani |
| Economic Adviser, JS level Officer | Sh. Kuntal Sensarma(On long term training) |
| Directors & equivalent Officers | Sh. Anil Kumar V Patil Sh. Prabhas Kumar Sh. D.P. Srivastava Dr. Kavitha Gotru Sh. G GMitra Sh. V Sreenivas Sh. Niranjana Lal Sh. Manohar Vishwanath Nemade |
| Deputy Secretaries & equivalent Officers | Sh. Rakesh Kumar Sh. S M Gupta Sh. Vikrant Sachdeva Smt. Rekha Sharma Sh. J. Daniel Godfrey |
| Chief Controller of Accounts Controller of Accounts | Smt. Bandhula Sagar Sh. Arvind Kumar |

ANNEXURE - VII

DETAILS OF JOINT VENTURES:

| S. No. | JV Project-Country | JV participants with equity% | Product and the Project status |
|--------|--|---|--|
| 1. | Oman India Fertilizer Co. (OMIFCO), Oman | Oman Oil Co. (OOC-50%), IFFCO (25%) & KRIBHCO (25%) | 16.52 lakh MT Urea & 2.48 Lakh MT Ammonia. Production started in the year 2006. |
| 2. | ICS Senegal, Senegal | ICS Senegal and IFFCO consortium | 5.5 lakh MT phosphoric acid. Production started in 1984 and the off take agreement is valid till 2033. |
| 3. | JPMC-IFFCO JV, Jordan | JPMC & IFFCO | 4.8 lakh MT Phosphoric acid. Commercial production started in December 2014. |
| 4. | IMACID, Morocco | OCP-Morocco, Chambal & TCL – 33% each | 4.25 lakh MT phosphoric acid. Production started in 1997-98. |
| 5. | Tunisia-India Fertilizer Company (TIFERT), Tunisia | GCT (Tunisia), CFL (Now CIL) & GSFC (India) | 3.60 lakh MT of Phosphoric acid. Commercial production started in April 2014. |

ANNEXURE - VIII

| S. No. | Unit | Location | Sector | Reassessed Capacity (MT) |
|------------------------|---|----------------|--------|--------------------------|
| Gas Based Units | | | | |
| 1. | Brahmaputra Valley Fertilizers Corporation Limited (BVFCL) – Namrup-II | Assam | Public | 240000 |
| 2. | Brahmaputra Valley Fertilizers Corporation Limited (BVFCL) – Namrup-III | Assam | Public | 315000 |
| 3. | Indian Farmers Fertilizer Cooperative (IFFCO) - Aonla-I | Uttar Pradesh | Coop. | 864600 |
| 4. | Indian Farmers Fertilizer Cooperative (IFFCO) - Aonla-II | Uttar Pradesh | Coop. | 864600 |
| 5. | Indian Farmers Fertilizer Cooperative (IFFCO) - Phulpur-I | Uttar Pradesh | Coop. | 551100 |
| 6. | Indian Farmers Fertilizer Cooperative (IFFCO) - Phulpur-II | Uttar Pradesh | Coop. | 864600 |
| 7. | Indian Farmers Fertilizer Cooperative (IFFCO) - Kalol | Gujarat | Coop. | 544500 |
| 8. | National Fertilizers Limited (NFL) – Vijaipur – I | Madhya Pradesh | Public | 864600 |
| 9. | National Fertilizers Limited (NFL) – Vijaipur – II | Madhya Pradesh | Public | 864600 |
| 10. | National Fertilizers Limited (NFL) – Nangal | Punjab | Public | 478500 |
| 11. | National Fertilizers Limited (NFL) – Panipat | Haryana | Public | 511500 |
| 12. | National Fertilizers Limited (NFL) – Bhatinda | Punjab | Public | 511500 |
| 13. | Krishak Bharati Cooperative (Kribhco)-Hazira | Gujarat | Coop. | 1729200 |
| 14. | Rashtriya Chemicals & Fertilizers Limited (RCF)- Thal | Maharashtra | Public | 1706897 |
| 15. | Rashtriya Chemicals & Fertilizers Limited (RCF)-Trombay | Maharashtra | Public | 330000 |

Department of Fertilizers

| | | | | |
|-----|--|---------------|---------|---------|
| 16. | Nagarjuna Fertilizers & Chemicals Limited (NFCL) – Kakinada-I | Hyderabad | Private | 597300 |
| 17. | Nagarjuna Fertilizers & Chemicals Limited (NFCL) – Kakinada-II | Hyderabad | Private | 597300 |
| 18. | Chambal Fertilizers & Chemicals Limited (CFCL)-Gadepan-I | Rajasthan | Private | 864600 |
| 19. | Chambal Fertilizers & Chemicals Limited (CFCL)-Gadepan-II | Rajasthan | Private | 864600 |
| 20. | Tata Chemicals Limited (TCL)-Barbala | Uttar Pradesh | Private | 864600 |
| 21. | Kribhco Shyam Fertilizers Limited (KSFL) - Shahjahanpur | Uttar Pradesh | Private | 864600 |
| 22. | Kanpur Fertilizers & Cement Limited (KFCL), Kanpur | Uttar Pradesh | Private | 722000 |
| 23. | Shriram Fertilizers & Chemicals Limited (SFC) – Kota | Rajasthan | Private | 379500 |
| 24. | Zuari Agro Chemicals Limited (ZACL) – Goa | Goa | Private | 399300 |
| 25. | Gujarat Narmada Valley Fertilizers Company Limited (GNVFC)-Bharuch | Gujarat | Private | 636900 |
| 26. | Gujarat State Fertilizers & Chemicals Limited (GSFC) -Vadodara | Gujarat | Private | 370590 |
| 27. | Indo-Gulf Fertilizers Limited - Jagdishpur | Uttar Pradesh | Private | 864600 |
| | Naphtha Based Units | | | |
| 28. | Mangalore Chemicals & Fertilizers Limited (MCFL) - Mangalore | Karnataka | Private | 379500 |
| 29. | Madras Fertilizers Limited (MFL)-Manali | Tamil Nadu | Public | 486750 |
| 30. | Southern Petrochemicals Industries Limited (SPIC)-Tuticorin | Tamil Nadu | Private | 620400 |
| 31. | Matrix Fertilizers & Chemicals Limited (MFCL)- Panagarh | West Bengal | Private | 1300000 |

ANNEXURE - IX

No. 12012/1/2015-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan, New Delhi.
Dated 25th May, 2015.

To,
CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVF/SFC/NFCL/CFCL/TCL
/ZACL/INDO-GULF/SPIC/KSFCL/MCFL/FCIL/HFCL/FACT/IPL/MATIX/KFCL

Subject: New Urea Policy-2015 for existing gas based urea manufacturing units.

Sir,

I am directed to refer to this Department's letter No. 12012/3/2010-FPP dated 2nd April 2014, vide which the salient features of Modified New Pricing Scheme (NPS)-III was introduced w.e.f. 02.04.2014 for one year were communicated. It has been decided to implement New Urea Policy 2015 as contained in the succeeding paragraphs.

1. Duration

The New Urea Policy-2015 will be effective from 1st June 2015 to 31.3.2019. The provisions of existing Modified NPS-III and New Investment Policy 2008 shall continue till 31st May 2015.

2. Grouping of urea units

- 2.1** The existing gas based urea units will be classified into the following three groups;
- i. Group-I** includes the following urea units having pre-set energy norms between 5.0 G Cal/MT to 6.0 G Cal/ MT:
 - a. NFL - Vijaipur-I & II, Kribhco Hazira, Indo-Gulf Jagdishpur, IFFCO- Aonla-I & II, KSFL-Shahjahanpur, CFCL Gadepan-I & II, TCL-Babrara, NFCL-Kakinada-I & II and IFFCO-Phulpur-II (Thirteen units).
 - ii. Group-II** includes the following urea units having pre-set energy norms between 6.0 G Cal/MT to 7.0 G Cal/ MT:
 - a. IFFCO-Kalol, GSFC-Baroda, RCF-Thal and GNVFC-Bharuch (Four Units)
 - iii. Group-III** includes the following urea units having pre-set energy norms more than 7.0 G Cal/MT:
 - a. NFL-Nangal, NFL-Panipat, NFL-Bhatinda, ZACL-Goa, SFC-Kota, RCF-Trombay-V, IFFCO-Phulpur-I and KFCL-Kanpur (Eight units).
- 2.2** MFL - Manali, MCFL-Mangalore, SPIC Tuticorin, BVFCL - Namrup-II and BVFCL - Namrup-III will not be covered under this scheme because these units are not connected to gas pipeline network in the country.
- 2.3** BVFCL - Namrup-II and BVFCL - Namrup-III are proposed to be closed and to install a new high efficiency unit and will be dealt separately under their restructuring proposal. Till then, these two units will function under the provisions of Modified NPS-III.
- 2.4** The twenty five units in para **2.1** above will be eligible to get the concession rate on the basis of revised energy norms fixed for each group from 1st June, 2015 to 31st March, 2018.
- 3. Revised Energy Norms for three years (2015-16 to 2017-18)**
- 3.1** For the year 2015-16 (from 1st June 2015 onwards), 2016-17 and 2017-18, the revised energy norms would be 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 is lower.
- 3.2 Energy Norms for 2018-19**
- a) For Group I**

Energy consumption norm for this group for financial year 2018-19 would be **5.5 G Cal/MT**, except for TCL- Babrala. For TCL- Babrala, existing pre-set energy consumption norm of NPS-III i.e 5.417 G Cal/MT will continue.

b) For Group II

Energy consumption norm for this group for financial year 2018-19 would be **6.2 G Cal/MT**.

c) For Group III

Energy consumption norm for this group for financial year 2018-19 would be **6.5 G Cal/MT**.

- 3.3** The present provisions for conversion of FO/LSHS urea units to Natural Gas issued by the Department of Fertilizers for urea units at Bathinda, Nangal & Panipat of NFL and Gujarat Narmada Valley Fertilizer Corporation- Bharuch will continue.
- 3.4** The units which have converted to gas from Naphtha viz., ZACL and KFCL will continue to get saving on energy consumption over the pre-set norms of NPS- III to recover their investment for conversion from Naphtha to Natural Gas. The data from each such unit will be obtained and based on this data, the Department of Fertilizers, in consultation with Department of Expenditure, shall work out the period for which existing pre-set energy norms will be allowed, which shall not be more than five years from the date of conversion so that each unit may be in a position to recover the investment with interest thereon from energy savings.
- 4.** 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.
- 5.** For production beyond the Re- Assessment Capacity (RAC), the units will be 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.
- 6.** All other existing policy guidelines related to escalation/de-escalation of concession rate, Neem coated urea, distribution and movement, import of urea and taxes on inputs for urea production, freight reimbursement, issued by this department from time to time will continue.

7. In case, any modification of the policy is required in relation to the operational issues, which does not alter the basic framework of the policy i.e. pooling of gas and energy efficiency target and is financially beneficial to the Government, the Department of Fertilizers is authorized to take a decision in the matter in consultation with Department of Expenditure.

Yours faithfully,

-S/d-

(Sham Lal Goyal)

Joint Secretary to the Government of India

011-23388481

Copy to:

The Executive Director,

Fertilizer Industry Coordination Committee,

8th Floor, Sewa Bhawan, R.K. Puram, New Delhi.

Copy also to:

PPS to Secretary (MoP&NG)/ PPS to Secretary (Fertilizers)/PPS to SS&FA /PPS to JS

(SLG)/PPS to JS (SKL)/ PPS to JS (HLS)

ANNEXURE - X

No. 12012/1/2015-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan,
New Delhi, the 15th October, 2015.

To

The Executive Director
Fertilizer Industry Coordination Committee
8th Floor, Sewa Bhawan
R.K. Puram, New Delhi.

Subject: Revised energy norm under New Urea Policy-2015 for existing 25 gas based urea manufacturing units reg

Sir,

I am directed to refer to this Department's policy notification of even number dated 25th May, 2015 communicating the salient features and modalities for implementation of New Urea Policy-2015 (NUP-2015) w.e.f. 1st June, 2015 and to notify the revised energy norms for the period 1st June 2015 to 31st March, 2018 and for the year 2018-19. As per para 3.1 of the aforesaid notification, the revised energy norms would be in force from 1st June, 2015 onwards.

Yours faithfully,

-S/d-

(Rakesh Kumar)
Deputy Secretary (Admn.)
011-2338 4889

Copy to:

1. CMD/MDs
RCF/ NFL/ KRIBHCO/ IFFCO/ GSFC/ GNVF/ SFC/ NFCL/ CFCL/ TCL/INDO-GULF / KSFCL/ KFCL/ZACL.
2. Director General, Fertilizer Association of India, 10 Shaheed Jit Singh Marg, New Delhi.

ANNEXURE OF ANNEXURE - X

ENERGY NORMS FOR UREA UNITS UNDER NEW UREA POLICY-2015

| S. No. | Name of Urea units | Reassessed Capacity | Energy Norm (G. Cal/MT) | | |
|------------|-----------------------|---------------------|------------------------------|--|----------------------|
| | | | NPS-III Pre-set Energy Norms | For the period 01 st June, 2015 to 31 st March, 2018 | For the year 2018-19 |
| | | (MT/year) | | | |
| Group -I | | | | | |
| 1 | NFL - Vijaipur-I | 864600 | 5.952 | 5.904 | 5.500 |
| 2 | Kribhco - Hazira | 1729200 | 5.952 | 5.952 | 5.500 |
| 3 | Indo-Gulf -Jagdishpur | 864600 | 5.534 | 5.501 | 5.500 |
| 4 | IFFCO - Aonla-I | 864600 | 5.690 | 5.656 | 5.500 |
| 5 | NFL-Vijaipur-II | 864600 | 5.712 | 5.569 | 5.500 |
| 6 | IFFCO-Aonla- II | 864600 | 5.522 | 5.505 | 5.500 |
| 7 | KSFL-Shahjahanpur | 864600 | 5.712 | 5.643 | 5.500 |
| 8 | CFCL Gadepan-I | 864600 | 5.621 | 5.587 | 5.500 |
| 9 | TCL-Babrara | 864600 | 5.417 | 5.333 | 5.417 |
| 10 | NFCL-Kakinada-I | 597300 | 5.712 | 5.693 | 5.500 |
| 11 | NFCL-Kakinada-II | 597300 | 5.712 | 5.672 | 5.500 |
| 12 | CFCL-Gadepan-II | 864600 | 5.678 | 5.533 | 5.500 |
| 13 | IFFCO-Phulpur-II | 864600 | 5.883 | 5.744 | 5.500 |
| Group -II | | | | | |
| 1 | GNVFC, Bharuch* | 636900 | 6.301 | 6.301 | 6.200 |
| 2 | IFFCO-Kalol | 544500 | 6.607 | 6.231 | 6.200 |
| 3 | GSFC-Baroda | 370590 | 6.935 | 6.741 | 6.200 |
| 4 | RCF-Thal | 1706760 | 6.938 | 6.598 | 6.200 |
| Group -III | | | | | |
| 1 | IFFCO-Phulpur-I | 551100 | 7.584 | 7.145 | 6.500 |
| 2 | SFC-Kota | 379500 | 7.847 | 7.585 | 6.500 |
| 3 | RCF-Trombay-V | 330000 | 9.569 | 8.538 | 6.500 |
| 4 | ZACL-Goa** | 399300 | 7.308 | 7.308 | 6.500 |
| 5 | KFCL-Kanpur** | 722700 | 7.847 | 7.847 | 6.500 |
| 6 | NFL-Nangal * | 478500 | 7.095 | 7.095 | 6.500 |
| 7 | NFL-Panipat* | 511500 | 7.614 | 7.614 | 6.500 |
| 8 | NFL-Bhatinda* | 511500 | 7.479 | 7.479 | 6.500 |

* NPS-III pre-set energy norms for units converted from FO/LSHS (NFL- Panipat, Bhatinda, Nangal and GNVFC Bharuch) represent revised energy norms on conversion as per approved DFR and will continue for five years from the date of conversion subject to para 3.3 of New Urea Policy-2015 notified vide notification no. 12012/1/2015-FPP dated 25th May, 2015.

**The units converted from Naphtha will continue with same energy norms for five years from the date of conversion subject to para 3.4 of New Urea Policy-2015 notified vide notification no. 12012/1/2015-FPP dated 25th May, 2015.

ANNEXURE - XI

No. 12012/1/2015-FPP
Government of India
Ministry of Chemical & Fertilizers
Department of Fertilisers

Shastri Bhavan, New Delhi
Dated the 7th April, 2017

To

CMD/MDs
RCF/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/TCL/ZACL/INDO-
GULF/KSFL/KFCL

Subject: Amendment to New Urea Policy-2015.

Sir,

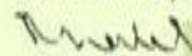
I am directed to refer to this Department's letter of even number dated 25th May, 2015 notifying New Urea Policy (NUP)-2015 for existing gas based urea manufacturing units and to state that it has been decided to make the following amendment to Para '5' of New Urea Policy (NUP)-2015 only in respect of the production beyond Re-assessed Capacity (RAC) for the year 2016-17:

"For production beyond Re-Assessed Capacity (RAC) during 2016-17, the units will be 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 sum of import parity price, other incidental charges which the government incurs on the import of urea and weighted average Central Government levies per MT of urea paid by the urea manufacturing units."

2. Further, it has been decided to include para '8' in NUP-2015 as under:-

"8. In the 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 an appropriate decision in consultation with Department of Expenditure."

Yours faithfully,



(Dharam Pal)

Joint Secretary to the Government of India
011-23386800

Copy to:
The Executive Director,
Fertilizer Industry Coordination Committee,
08th Floor, R.K. Puram,
New Delhi.

ANNEXURE - XII

No.12018/4/2014-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan, New Delhi
Dated the 17th June, 2015.

The Executive Director,
Fertilizer Industry Coordination Committee (FICC) 8th Floor, Sewa
Bhawan, New Delhi.

Subject: Continuation of production of urea from Madras Fertilizers Limited (MFL) - Manali, Mangalore Chemical and Fertilizers Limited (MCFL) - Mangalore and Southern Petrochemical Industries Corporation Ltd. (SPIC) -Tuticorin using Naphtha as feedstock till gas connectivity and availability of gas to these urea manufacturing units - reg.

Sir,

In continuation of this Department's letter of even number dated 7th January, 2015, I am directed to state that the competent authority has now accorded approval to continue the operation of these three aforesaid plants using Naphtha as feedstock subject to the following conditions:

1. MFL-Manali, MCFL-Mangalore and SPIC-Tuticorin are allowed to operate on Naphtha on existing provisions for a period till these plants get assured supply of gas either by gas pipeline or any other means.
2. The units will be eligible for subsidy on the basis of the revised energy norms from the date of this notification (17th June, 2015), which would be the simple average of pre-set energy

norms of NPS-111 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-111, whichever is lower.

3. The concession rate for these plants will be determined notionally on the basis of weighted average of the delivered cost of RLNG to the 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.
4. The compensation for other variable cost e.g. the cost of bag, water charges and electricity charges and fixed cost will be determined in accordance with existing provisions of NPS-II and Modified NPS-III.
5. DoF shall review the progress of infrastructure for supply of gas and readiness of these three Naphtha based urea units to receive gas, on quarterly basis.
6. The urea production by MCFL and SPIC is hereby regularized from 17th April, 2015 and 24th April, 2015 respectively and the units will be eligible for subsidy on urea production for this period on existing provisions as on 16th April, 2015 till the issue of this notification (17th June, 2015).
7. The specific energy consumption norms for these 3 units from financial year 2018-19 will be 6.5 G.Cal/MT of urea.

Yours faithfully,

-S/d-

(Vijay Ranjan Singh)

Director (Fertilizers)

Tel: 011-2338639

Copy to:

1. Director (Movement).
2. CMD-MFL.
3. MD-MCFL.
4. CEO-SPIC.

ANNEXURE - XIII

No. 12012/39/2011-FPP
Government of India
Ministry of Chemical & Fertilizers
Department of Fertilisers

Shastri Bhavan, New Delhi
Dated the 02nd January 2013.

To

All Chief Secretaries of State Governments

CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/TCL
ZAL/INDO-GULF/SPIC/KSFCL/MCFL/FCIL/HFCL/FACT/IPL/MATIX/KFCL

All Urea Manufacturing units

Subject: **New Investment Policy - 2012**

Sir

I am directed to convey the approval of Government of India for New Investment Policy 2012 (NIP-2012) in order to facilitate fresh investments in urea sector. The salient features of the NIP-2012 are as under:-

- 1 It provides a structure of a floor price and a ceiling price for the amount payable to Urea units, which will be calculated based on the delivered gas price (inclusive of charges & taxes) to respective urea units. The floor and ceiling price of each urea unit shall be operative with

respect to the computed Import Parity Price(IPP) (**Annexure-1**). The IPP defined for urea under the investment policy of 2008 is the average C&F price without any applicable custom duties and handling and bagging charges at the port. If the computed IPP (payable) is between the floor and the ceiling price for that gas cost, it is the IPP (payable) which will be used. If the IPP (payable) is above or below the ceiling or the floor respectively, it is the ceiling or floor price that will be acceptable as the case may be.

- 2 The criteria according to which plants will qualify under different categories namely Revamp, Expansion, Revival and Greenfield shall be as below:
 - 2.1 **Revamp projects:** Any improvement or incremental increase in capacity of existing plants by way of capital investment in the existing train of ammonia-urea production will be treated as revamp of existing units.
 - 2.2 **Expansion or Brownfield projects:** Setting up of a new ammonia-urea plant (a separate new ammonia-urea train) in the premises of the existing fertilizer plants, utilizing some of the common utilities will qualify for being treated as an expansion project. The investment should exceed a minimum limit of Rs.3000 crore.
 - 2.3 **Revival of closed urea units:** The three closed urea units of Hindustan Fertilizer Corporation Ltd. (HFCL) at Barauni, Durgapur and Haldia, and five closed urea units of Fertilizer Corporation of India Ltd. (FCIL) at Sindri, Talcher, Ramagundam, Gorakhpur and Korba being proposed for revival shall fall under 'Revival of closed urea units'.
 - 2.4 **Greenfield Projects:** Any urea unit which shall be set-up at the project site where no previous similar manufacturing facilities existed i.e. acquisition of land followed by construction of an ammonia-urea plant with storage facilities, transportation facilities, water and sewage treatment etc. shall be treated as a Greenfield project.
- 3 **Greenfield /Revival of Closed HFCL & FCIL Projects**
 - (i) At a delivered gas price of upto USD 6.5 per mmbtu for Greenfield/Revival Urea units
 - (a) the Floor price is fixed at **USD 305** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 335** per MT of Urea
 - (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the

- (a) Floor and Ceiling price by USD 2 per MT up to a delivered gas price of USD 14 per mmbtu.
- (b) Floor by USD 2 per MT for delivered gas price exceeding USD 14 per mmbtu.
- (iii) The urea from Greenfield/Revival of closed urea units of HFCL and FCIL units will be recognized at a uniform rate of 95% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 3 (i) and 3 (ii) above.

4 **Substantial Expansion or Brownfield Projects**

- (i) At a delivered gas price of upto USD 6.5 per mmbtu for Expansion/Brownfield Urea units
 - (a) the Floor price is fixed at **USD 285** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 310** per MT of Urea
- (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the
 - (a) Floor and Ceiling price by USD 2 per MT up to a delivered gas price of USD 14 per mmbtu.
 - (b) Floor by USD 2 per MT for delivered gas price exceeding USD 14 per mmbtu
- (iii) The urea from Expansion / Brownfield Urea units will be recognized at a uniform rate of 90% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 4 (i) and 4 (ii) above.

5 **Revamp Projects**

- (i) At a delivered gas price of upto USD 7.5 per mmbtu for new Revamp Urea units
 - (a) the Floor price is fixed at **USD 245** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 255** per MT of Urea
- (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the
 - (a) Floor and Ceiling price by USD 2.2 per MT up to a delivered gas price of USD 14 per mmbtu.
 - (b) Floor by USD 2.2 per MT for delivered gas price exceeding USD 14 per mmbtu.

- (iii) The urea from Revamp Urea units will be recognised at a uniform rate of 85% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 5 (i) and 6 (ii) above. These will be applicable for all output above the “cut-off” point.
- (iii-a) Cut-Off Quantity - The urea produced from existing units beyond their reassessed capacity under NPS or the maximum achieved capacity by a unit for 330 days in last four years (2003-07), whichever is higher (cut off quantity), is recognised as the production under revamp of the existing unit. However, the urea produced under revamp quantity will only be eligible for the above dispensation once the total production of the unit crosses 105 per cent of the cut off quantity or 110 per cent of the reassessed capacity, whichever is higher.
- (iv) No Administered Pricing Mechanism (APM) gas shall be considered for allocation for production beyond cut-off quantity.
- (v) **The Urea units, which have undertaken revamp and are already availing the provisions of the Investment Policy of 2008, will remain under the Investment Policy of 2008.** In the event of doubling of gas price from USD4.88 per MMBTU (base price including applicable taxes) for a unit under the Investment Policy of 2008, appropriate revision will be worked out under that Policy, in consultation with the Department of Expenditure.
- (vi) Any further revamp undertaken by an already revamped unit, will be considered to be eligible under the same Revamp policy as that applicable to the original revamp. In case a unit under the policy of 2008 undertakes further revamp and the additional quantity is more than 10% of the present production (maximum production in any continuous one-year period of the last three years, which should not be less than the quantity produced in similar period of previous years after implementation of NIP-2008 policy), the Urea unit may opt for the dispensation as mentioned at 5 (i, ii and iii). Once new investment policy gets applied on the unit for the extra production beyond 10% of existing production as discussed above, the entire revamp production from the unit (existing & new combined) will be recognized as per NIP-2012. The option will have to be exercised by the unit within three months of start of new increased production.

6 Non-operation of ceiling price and IPP if delivered gas price exceed USD 14 per mmbtu.

In the event the delivered gas price crosses USD 14 per mmbtu, the units (whether revamp,

expansion, brownfield, greenfield or revival) shall be paid only the floor price based on the delivered gas price as mentioned at 3(ii)(b), 4(ii)(b) and 5(ii)(b). All other conditions like ceiling price and recognition of urea w.r.t IPP shall become non-operational.

7 Operational Principles- The following is adopted for operating the policy:

- 7.1 The increase/decrease of the floor and ceiling price will be calculated at the end of each quarter, on the basis of average gas price of previous three months. Accordingly, IPP shall also be calculated for each quarter for each plant.
- 7.2 The price of the delivered gas will be calculated based on delivered gas price as certified by MoPNG/Central PSU/State PSU.
- 7.3 The policy shall be applicable to urea units to be based on gas i.e. natural gas (domestic/RLNG) and CBM. In case of CBM, price of NG equivalent of CBM as given by Public agency will be considered. For revival of closed urea units based on coal gasification and Greenfield projects based on coal gasification, a dispensation that is the same as that of CBM will be extended after arriving at equivalent NG price.
- 7.4 While fixing the floor and ceiling price of Greenfield, Revival, Brownfield and Expansion urea units, It has been presumed that the delivered cost of CBM/Actual mix of gas to the urea unit shall not be less than USD 6.5/mmbtu.

8 Time period for the investment policy

- 8.1 It is proposed that only those units whose production starts within five years from the date of notification of the policy would be covered under the policy. The dispensation of guaranteed buy-back under this policy will be available to the units for a period of eight years from the date of start of production. Thereafter, the units will be governed by the Urea policy prevalent at that time.

9 Mandating of Granulated Urea / Coated Urea

- 9.1 In order to improve the efficiency in the use of Urea, as a part of product management strategy, all new urea capacities in the country are mandated to produce Urea in granulated form or coated/fortified Urea. Taking into account the additional investment on account of a granulation plant and the incremental operating costs, an additional amount of USD 10 per MT, is allowed in the floor and ceiling prices for all plants Greenfield / Revival / Brownfield producing Granulated Urea.

- 9.2 As part of the present policy, an additional 5% / 10% additional MRP may be allowed in case of Neem coated / Zincated Urea.

10 Joint Venture Units

- 10.1 Decision regarding Urea off-take agreement for Joint Venture units set up abroad shall be taken on case-to-case basis, based on the prevalent IPP of Urea, price and availability of indigenous gas, cost of gas being offered to the JV and demand supply gap of Urea in the country. The guiding principle shall, however, be that the offered supply on C&F basis from the JV should be equal to or less than the floor price for domestic Greenfield units at a gas cost of USD 6.5 per mmbtu. Thus extending the floor price corresponding to a gas price of USD 6.5 per mmbtu to the JV's abroad will actually mean getting imported gas at a delivered price of USD 6.5 per mmbtu which will result in substantial saving to GOI. While fixing the floor and ceiling price for a JV abroad, subject to a maximum floor price corresponding to a delivered gas price of USD 6.5 per mmbtu for domestic units, a higher return may be considered keeping in view factors such as risks involved, likely time and cost overruns, etc. Approval of CCEA would be obtained in each case.

11 Dispensation for Units in North East

- 11.1 For units coming up in the North Eastern States, the special dispensation regarding pricing of gas that is being extended by the Central Government/ State Government will also be available to any new Investments in the region as well. Suitable adjustments will be made to the applicable floor and ceiling prices in case the delivered price (after allowing for the special dispensation) falls below USD 6.5 per mmbtu, subject to approval of Ministry of Finance.
12. As per the budget provisions announced for 2012-13, capital investment in fertiliser sector has been made eligible for Viability Gap Funding (VGF) under the Scheme for Support to PPP in infrastructure sector. However no VGF shall be allowed to Urea units in Public or Private sector. In case incentives under VGF are required to be extended to Fertilizer units being set up in remote areas/difficult terrains like north east or units which are based on coal gasification, where the capex involved is substantially higher, the same will be examined by DOF in consultation with DoE on case to case basis.
13. The broad stages for setting up a urea project are given at **Annexure 2**. Since the policy envisages payment of subsidy/ incentives to the urea units by the Government, all the urea units who plan to set-up urea units in the country should mandatorily provide information at

Department of Fertilizers

beginning and completion of each stage of the project as given at **Annexure2**. This is also required to assess the demand and production gap in the country as well as the cost of gas expected to be used in production of urea from new investments.

14. The policy will be effective from the date of notification.

Yours sincerely

(Satish Chandra)

Joint Secretary to the Government of India

Tele : 23386800

Copy to:

1. Secretaries of the Department of Expenditure, Department of Revenue, Department of Economic Affairs, Department of Agriculture & Cooperation, Department of Commerce, Department of Industrial Policy & Promotion, Planning Commission, Ministry of Petroleum & Natural Gas .
2. Director General, The Fertilizers Association of India, 10-Shaheed Jit Singh Marg, New Delhi-110067
3. All Officers/Sections in the Department of Fertilizers and office of FICC, RK Puram, New Delhi
4. Director(NIC)

Copy also to :- Smt. Anu Garg, Joint Secretary, Prime Minister's Office, South Block, New Delhi.

ANNEXURE - I OF NIP - 2012

Import parity price: Import Parity Price for a month would be derived based on the prevailing prices in three months preceding the month under consideration as indicated below.

Import Parity Price (IPP): The import parity price (IPP) for a particular month will be the lower of the actual average CIF price of urea imported in India during preceding three months and the IPP reported in the fertilizer magazines for the same preceding three months, as detailed below:

$$\text{IPP } x = \text{FOB Arabian Gulf} + \text{Freight}$$

Where,

IPP x = Import Parity Price for month (x)

FOB Arabian Gulf = Average FOB reported price of urea for AG in the three magazines as listed below, during preceding three month (x - 1) to (x - 3).

Freight = Average freight for AG in the three magazines listed below, during preceding three month (x - 1) to (x - 3).

The exchange rate will be taken as the average of preceding three months for arriving at the price in INR. The three fertilizer magazines to be used for arriving at IPP prices will be as below:

- (a) Fertiliser Market Bulletin, UK;
- (b) Fertiliser Week by British Sulphur, UK; and
- (c) Fertecon Weekly Nitrogen Fax, UK.

ANNEXURE - II OF NIP - 2012

Broad stages of a urea project

Following are the broad stages for setting up an Ammonia-Urea Project:-

- a) Pre-feasibility Report
- b) Techno Economic Feasibility Report & its approval from the company's Board of Director.
- c) Finalization of Project site.
- d) 1st Stage Environment Clearance from MoEF
- e) Technology Evaluation and Selection or EPC (LSTK) bid preparation & Evaluation.
- f) Detailed/Bankable Project/Feasibility Report preparation and approval from the company's Board of Director.
- g) Environment Impact Assessment Report preparation and final clearance from MoEF
- h) Raw Material and Utilities tie-up for the project
- i) Finalization of EPCM or EPC (LSTK) Contractor.
- j) Achieving Financial Closure
- k) Award of job to EPCM or EPC Contractor.
- l) Signing of Agreement between various agencies
- m) Mobilization Advance to EPCM or EPC Contractor.
- n) Physical Progress Achieved - 25%
- o) Physical Progress Achieved 50%
- p) Physical Progress Achieved 75%
- q) Commissioning of Project & Start of commercial production.

ANNEXURE - XIV

No. 12012/39/2011-FPP
Government of India
Ministry of Chemical & Fertilizers
Department of Fertilisers

Shastri Bhawan, New Delhi
Dated the 7th October, 2014.

To

All Chief Secretaries of State Governments

CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/TCL
ZAL/INDO-GULF/SPIC/KSFCL/MCFL/FCIL/HFCL/FACT/IPL/MATIX/KFCL

All Urea Manufacturing units

Subject: **Amendment to New Investment Policy - 2012**

Sir,

I am directed to refer to this department's letter of even number dated 2nd January, 2013 on the subject mentioned above and to state that it has been decided to make the following amendments in the New Investment Policy 2012 (NIP-2012):-

(i) Para 8.1 of NIP-2012 is replaced as follows:

'Only those units whose production starts within five years from the date of this amendment notification will be covered under the policy. Subsidy will be given only upon domestic sale as at present for a period of 8 years from the date of start of production. Thereafter, the units will be governed by the urea policy prevalent at that time.'

Department of Fertilizers

- (ii) To ensure seriousness/credibility of the project proponents under NIP-2012 and for timely execution of the projects, all the project proponents will be required to furnish Bank Guarantee (BG) of Rs. 300 crores for each project. The BG will be linked to milestones in the project cycle. Out of Rs. 300 crores, Rs. 100 crores of BG will be released after finalization of LSTK/ EPCA contractors and release of advance to the contractor's account; Rs. 100 crores of BG will be released on completion of equipment ordering and supply to the site or midpoint of the project cycle, whichever is earlier; and the balance of Rs. 100 crores of BG on completion of the project. PSUs are, however, exempted from furnishing the BG.
- (iii) A committee of Secretaries comprising Secretary (Fertilizers), Secretary (Department of Expenditure), Secretary (MoPN&G), Secretary (Planning Commission) and Secretary (Agriculture) with Secretary (Fertilizers) as Chairman is constituted to take decisions on various issues which will arise during the implementation of NIP-2012.

Yours sincerely

(Sushil Kumar Lohani)

Joint Secretary to the Government of India

Tele : 23381294

Copy to:

1. Secretaries of the Department of Expenditure, Department of Revenue, Department of Economic Affairs, Department of Agriculture & Cooperation, Department of Commerce, Department of Industrial Policy & Promotion, Planning Commission, Ministry of Petroleum & Natural Gas .
2. Director General, The Fertilizers Association of India, 10-Shaheed Jit Singh Marg, New Delhi-110067
3. All Officers/Sections in the Department of Fertilizers and office of FICC, RK Puram, New Delhi
4. Director(NIC)

Copy also to :-

Smt. B.V.R Subrahmanyam, Joint Secretary, Prime Minister's Office, South Block, New Delhi.

ANNEXURE - XV

| Maximum Retail Prices of Urea (Rates in Rs. Per MT) | |
|---|------|
| Year | Urea |
| 1991-92 | |
| Upto 24.7.91 | 2350 |
| From 25.7.91 | 3300 |
| 1992-93 | |
| Upto 24.8.92 | 3060 |
| From 25.8.92 | 2760 |
| 1993-94 | 2760 |
| 1994-95 | |
| Upto 9.6.94 | 2760 |
| From 10.6.94 | 3320 |
| 1995-96 | 3320 |
| 1996-97 | |
| Upto 20.2.97 | 3320 |
| From 21.2.97 | 3660 |
| 1997-98 | 3660 |
| 1998-99 | |
| Upto 1.6.98 | 3660 |
| From 2.6.98 to 12.6.98 | 4160 |
| From 13.6.98 to 28.1.99 | 3660 |
| From 29.1.99 | 4000 |
| 1999-2000 | |
| Upto 28.2.2000 | 4000 |
| From 29.2.2000 | 4600 |
| 2000-2001 | 4600 |
| 2001-2002 | |
| Upto 27.2.2002 | 4600 |
| From 28.2.2002 | 4830 |
| 2002-2003 | |
| Upto 27.2.2003 | 4830 |
| From 28.2.2003 to 11.3.2003 | 5030 |
| From 12.3.2003 to 31.3.2010 | 4830 |
| From 1.4.2010 to 31.10.2012 | 5310 |
| From 1.11.2012 to till date | 5360 |

ANNEXURE - XVI

No. 12012/20/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan,
New Delhi, the 7th January, 2015

To

CMD/MDs

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/SPIC/NFCL/
CFCL/TATA/ZACL/INDO-GULF/SPIC/KSFL/MFCL/KFCL/SFC.

Subject: Policy for encouraging production and availability of fortified and coated urea in the country reg.

Sir

I am directed to refer to Department of Fertilizers letter of even number dated 2nd June 2008 and the 11th January 2011 on the above subject and to say that the competent authority has approved to remove the cap/restriction to produce Neem Coated Urea. Therefore, the indigenous producers of urea are allowed to produce Neem Coated urea which has been incorporated in Schedule 1 of the Fertilizer Control Order, 1985 up to maximum of their total production of subsidized urea. Further, it has been 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.

2. The other terms and conditions of policy letter dated 2nd June 2008 will remain same.
This order is effective from the date of issue.

Yours Sincerely,
-S/d-
(Vijay Ranjan Singh)
Director(F)

1. Chief Secretaries of all State Governments and Union Territories.
2. Secretary of the Department of Expenditure, Department of Revenue, Department of Economic Affairs, Department of Agriculture & Cooperation, Department of commerce, Department of Industrial Policy & Promotion, Ministry of Petroleum & Natural Gas, NITI Aayog.
3. DG, the Fertilizers Association of India, New Delhi

ANNEXURE - XVII

No. 12012/20/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan,
New Delhi, the 24th March, 2015.

To

CMD/MDs

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/NFCL/CFCL /
TATA/ZACL/INDO-GULF/SPIC/KSFL/MFCL/KFCL/SFC.

Subject: Policy for encouraging production and availability of fortified and coated urea in the country reg.

Sir

I am directed to refer to Department of Fertilizers letter of even number dated 2nd June 2008, 11th January 2011 and 07th January, 2015 on the subject mentioned above and to say that it has now been decided to make it mandatory for all the indigenous producers of urea to produce 75% of their total production of subsidized urea as Neem Coated urea.

Department of Fertilizers

2. The other terms and conditions of policy letter dated 2nd June 2008 and subsequent letter dated 07th January, 2015 will remain same. This order will be effective from the financial year 2015-16.

Yours Sincerely,

-sd/-

(Vijay Ranjan Singh)

Director(F)

Tele : No. 23386398

1. Chief Secretaries and Secretaries (Agriculture) of all State Governments and Union Territories.
2. Secretaries of the Department of Expenditure, Department of Revenue, Department of Economic Affairs, Department of Agriculture & Cooperation, Department of Commerce, Department of Industrial Policy & Promotion, Ministry of Petroleum & Natural Gas, CEO, Niti Aayog.
3. DG, FAI.
4. NIC for uploading on website of this Department.
5. Hindi Section.

ANNEXURE - XVIII

No. 12012/20/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan, New Delhi,
Dated the 25th May, 2015.

To

CMD/MDs

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/NFCL/CFCL/
TATA /ZACL/INDO-GULF/SPIC/KSFL/MFCL/KFCL/SFC.

Subject: Policy for encouraging production and availability of fortified and coated urea in the country reg.

Sir

In continuation to Department of Fertilizers letter of even number dated 2nd June 2008, 11th January 2011 and 07th January, 2015 and 24th March, 2015 on the subject mentioned above, the undersigned is directed to state that it has now been decided to make it mandatory for all the indigenous producers of urea to produce 100 % of their total production of subsidized urea as Neem Coated urea.

Department of Fertilizers

2. The other terms and conditions of policy letter dated 2nd June 2008 and subsequent letter dated 07th January, 2015 will remain same.

Yours Sincerely,
-S/d-

(Vijay Ranjan Singh)
Director(F)
Tele : No. 23386398

1. Chief Secretaries and Secretaries (Agriculture) of all State Governments and Union Territories.
2. Secretaries of the Department of Expenditure, Department of Revenue, Department of Economic Affairs, Department of Agriculture & Cooperation, Department of Commerce, Department of Industrial Policy & Promotion, Ministry of Petroleum & Natural Gas, CEO, Niti Aayog.
3. DG, FAI.
4. NIC for uploading on website of this Department.
5. Hindi Section.
6. Guard File.

ANNEXURE - XIX

**No. 12012/20/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)**

Shastri Bhawan, New Delhi,
Dated the 4th September, 2017.

To

CMD/MDs

**RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/NFCL/CFCL/
TATA /GIL/SPIC/MFCL**

Subject: Rationalising the Size of urea bag and matter connected thereto.

Sir

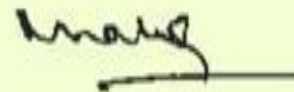
I am directed to convey the approval of the Government to introduce 45kg bag of urea replacing the existing 50kg bag.

2. In order to enable the urea units to exhaust existing 50kg bags and for making necessary modifications in their plants, a period of six months is given as lead time to them to ensure smooth implementation of the above policy.

Department of Fertilizers

3. The MRP of such bags will be notified by the Department of Agriculture & Farmers Welfare in due course. An Additional 5% will also be charged by the urea manufacturers for Neem Coating of Urea on every 45kg. bag.

Yours Sincerely,



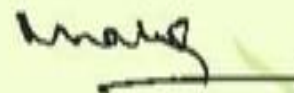
(Dharam Pal)

Additional Secretary (Fertilizers)

Tele : No. 23386800

Copy to:

1. Joint Secretary (INM), Department of Agriculture & Farmers' Welfare, Krishi Bhavan, New Delhi.
2. Principal Director of Audit, Economics & Services Ministry, AGCR Building, I.P. Estates, New Delhi.
3. Controller of Accounts, Department of Fertilizers, Janpath Bhawan, New Delhi.
4. Director General, Fertilizer Association of India, 10 Shaheed Jit Singh Marg, New Delhi-1100067.
5. Director of Accounts, Fertilizer Accounts Wing, Department of Fertilizers, Udyog Bhawan, New Delhi
6. Pay & Accounts Officer, Department of Fertilizers, Janpath Bhawan, New Delhi.
7. Director (F&A), FICCI, 8th Floor, Sewa Bhawan, New Delhi-110066.
8. Director (CE), FICCI, 8th Floor, Sewa Bhawan, New Delhi-110066.
9. Fin-II, Department of Fertilizers.
10. Assistant Director (OL) with a request to make available Hindi Version of the Notification.
11. NIC for uploading on website.
12. Guard File.



(Dharam Pal)

Additional Secretary (Fertilizers)

Tele : No. 23386800

ANNEXURE - XX

No. 12012/25/2013-FPP

Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 17th June, 2016

To

Chief Secretary of all States/UT,
CMD/MDs of all Fertilizer Units.

Subject: - Revised rates for the direct movement of fertilizers by road from Plant/Port upto 500 Kms.

Sir,

In continuation of this Department's Notification No. 12012/2/2008-FPP dated 17th July, 2008 and subsequent Notifications issued from time to time, I am directed to state that the competent authority has approved the following rates (based on the recommendations of Tariff Commission for the year 2007-08) for direct road movement of fertilizers upto 500 Kms from plants/ports to block, which have been escalated/de-escalated by WPI (composite road transport index) for the subsequent years:

(Rs. Per MT/Km)

| Distance Slab (KM) | Normative Rates | | | | | | | |
|--------------------|---|----------|---------|---------|---------|---------|---------|---------|
| | 2007-08 (As recommended by Tariff Commission) | 2008- 09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 0-100 | 3.02 | 3.25 | 3.24 | 3.61 | 3.81 | 4.06 | 4.53 | 4.60 |
| 101-250 | 1.93 | 2.07 | 2.06 | 2.30 | 2.43 | 2.59 | 2.89 | 2.93 |
| 251-350 | 1.44 | 1.55 | 1.54 | 1.72 | 1.82 | 1.94 | 2.16 | 2.19 |
| 351-500 | 1.29 | 1.39 | 1.38 | 1.54 | 1.63 | 1.74 | 1.94 | 1.97 |

Department of Fertilizers

2. The aforesaid rates will be implemented retrospectively w.e.f. 01.04.2008.
3. Primary freight for direct road movement of fertilizers (upto 500 kms) shall be paid at lower of the following: -

(i) Freight amount calculated for the month based on the slab rates indicated above;

OR

(ii) The actual expenditure incurred by the Company during the month, duly certified by company's statutory auditors.

4. The freight subsidy for secondary movement for North-Eastern and hilly states will be paid as per the rates notified vide notification No. 15-05/2009-Ship-I dated 25th October, 2012 till the finalization of study by Tariff Commission.
5. The primary freight from direct movement from NFL-Nangal unit to the state of Himachal Pradesh upto 500 kms will be paid as per the rates notified vide notification No 12018/1/2014-FPP dated 5th November, 2014 till the finalization of study of Tariff Commission.
6. This issues with the concurrence of Internal Finance Division vide their Dy No. 592 dated 03.12.2015 and Dy No 382/A dated 16.06.2016.

Yours sincerely,

-sd/-

(Sunita Bansal)

Under Secretary to the Government of India

Tele : 23388891

Copy to:

1. ED, FICC, R K Puram, New Delhi.
2. Director(FA), Udyog Bhawan, New Delhi, with a request to make necessary changes in the FMS for generation of differential claims.
3. Director (Movement).
4. Director (P&K)
5. DS (Finance), DoF, New Delhi.
6. Pay and Accounts Office, Janpath Bhawan, New Delhi.
7. NIC-for uploading on the Departmental Website.

ANNEXURE - XXI

No. 12012/25/2013-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 4th September, 2017

To

Chief Secretary of all States/UT,
CMD/MDs of all Fertilizer Units.

Subject: Revised rates for the direct movement of fertilizers by road from Plant/Port upto 500 Kms.

Sir,

In continuation of this Department's Notification of even number dated 17th June, 2016 on the subject mentioned above, I am directed to notify the escalated/de-escalated slab-wise rates in respect of primary freight for direct road movement of fertilizers upto 500 Kms from plants/ports to block for the year 2015-16 as below:

| (Rs. Per MT/Km) | |
|--------------------|---------------------------|
| Distance Slab (KM) | Normative Rates (2015-16) |
| 0-100 | 4.25 |
| 101-250 | 2.71 |
| 251-350 | 2.02 |
| 351-500 | 1.82 |

2. The other terms and conditions of the notification dated 17th June, 2016 will remain the same.

Department of Fertilizers

3. This issues with the concurrence of Internal Finance Division vide ASFA Dy No 408 (a) dated 15th July, 2017.

Yours sincerely,

-sd-

(Prabhas Kumar)

Director (Fertilizers)

Tele : 23386398

Copy to:

1. ED, FICC, R K Puram, New Delhi.
2. Director(FA), Udyog Bhawan, New Delhi, with a request to make necessary changes in the FMS for generation of differential claims.
3. Director (Movement), DoF.
4. DS (Finance), DoF, New Delhi.
5. Pay and Accounts Office, Janpath Bhawan, New Delhi.
6. NIC-for uploading on the Departmental Website

-sd-

(Prabhas Kumar)

Director (Fertilizers)

Tele : 23386398

ANNEXURE - XXII

No. 12012/9/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 04th September, 2017

To

Chief Executives of all Fertilizer Units,
Chief Secretary of all States/UT

Subject : - Road freight rates for UREA manufacturing/ importing units under the Uniform Freight Subsidy scheme.

Sir,

In continuation of this Department's notification of even number dated 18th September, 2014 notifying the secondary freight rates for the urea units for financial year 2012-13 & 2013-14, I am directed to notify the escalated/de-escalated secondary freight rates for urea for financial years 2014-15 & 2015-16 as per the annexure.

2. However, in case of creation of a new district by division, the freight rate as applicable to that particular (old) district from which it is carved out shall be applicable to such new district. In case of creation of new district from more than one district, the average freight rates of all the old districts shall apply. In respect of the districts mentioned more than once in this Department's Notification dated 1st September, 2011, the entry of district with the lower

value will be considered for the purpose of freight subsidy.

3. Freight rates in respect of the following districts, viz., (i) Kurnool (Andhra Pradesh); (ii) East Delhi; (iii) North Delhi; (iv) North-West Delhi; (v) South-West Delhi; (vi) Palwal (Haryana); (vii) Yadgir (Karnataka); (viii) Goa; (ix) Singroli (Madhya Pradesh); (x) Koraput (Odisha); (xi) Baleshwar (Odisha); (xii) Mahe (Puducherry); (xiii) Budaun (U.P.); (xiv) Chatrapati Sahuji Maharaj Nagar (U.P.); (xv) Daman; (xvi) Baksa (Assam); (xvii) Hailakandi (Assam); (xviii) Kokrajhar (Assam); (xix) Sivasagar (Assam); (xx) Karbi Anglong (Assam) and (xxi) Dima-Hasao (Assam), for which Per Tonne Per Kilometer (PTPK) rates are not available, the matter has been referred to Tariff Commission. However, till the time the PTPK rates for these districts are made available by Tariff Commission, the adhoc rates as prevalent may be taken into account for freight subsidy.
4. Freight subsidy claims on the basis of the above rates may be preferred for the above mentioned period in the prescribed proforma. Freight subsidy amount received by the units on the basis of road transportation ad hoc rates notified earlier will be adjusted towards final claim.
5. However, these rates are subject to revision on account of audit observations/revision due to any correction in data/working and computation noticed at a later stage.
6. In case of Jammu & Kashmir the rates recommended by Tariff Commission and after escalation for the year 2014-15 & 2015-16 will be applicable for all districts in Jammu as well as Srinagar in J&K. The adhoc PTPK transportation rates for Himachal Pradesh, Andaman & Nicobar Islands and North eastern states viz. Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland & Tripura will be continued as notified earlier as per O.M No. 15-05/2009-Ship-I dated 25th October, 2012.
7. The rates in respect of Sikkim (Rs. 7.07 PTPK) will be continued as per notification No. 12012/2/2008-FPP dated 17th March, 2009.
8. The final rates of these states will be notified after receipt of revised study of Tariff Commission.
9. As per the notification of even number dated 17th June, 2016, the reimbursement of secondary freight cost will be allowed on the monthly basis at the lower of:
 - (i) Normative Per Tonne Per Km (PTPK) rates as notified by Department of Fertilizers

from time to time;

OR

(ii) The actual expenditure incurred by the company on secondary freight during the said month, duly certified by company's statutory auditor.

10. This issue with the concurrence of Internal Finance Division vide AS&FA Dy.No. 408(a) dated 15.07.2017.

Yours sincerely,
(Prabhas Kumar)
Director (Fertilizers)
Tele: 23386398

Copy to:-

1. Principal Director of Audit, Economic & Service Ministry, AGCR Building, IP Estates, New Delhi.
2. Controller of Accounts, Department of Fertilizers, Janpath Bhawan, New Delhi.
3. Director General, The Fertilizers Association of India, FAI House, 10-Shahidjit Singh Marg, New Delhi-110067.
4. Joint Secretary-cum-Central Registrar of Cooperative Societies.
5. Department of Agriculture & Cooperative, Krishi Bhawan, New Delhi.
6. Secretary (TC), Ministry of Commerce and Industry, Tariff Commission, 7th Floor, Lok Nayak Bhawan, New Delhi-110003.
7. Advisor (Cost), Ministry of Commerce and Industry, Tariff Commission, 7th Floor, Lok Nayak Bhawan, New Delhi-110003.
8. Ministry of Finance/Department of Expenditure (PF-II), North Block, New Delhi.

Copy also to:

AS(DP), JS(AT) & JS(SKL)

Director (Movement)/Director (FA)/ Director (Finance) /Director (CE) (FICC)

Director (NIC)/DOF- for website/DD(OL)-for Hindi translation.

(Prabhas Kumar)
Director (Fertilizers)
Tele: 23386398

ANNEXURE OF ANNEXURE - XXII

SECONDARY FREIGHT RATES FOR UREA FOR THE FINANCIAL YEARS 2014-15 & 2015- 16

| Sl. No. | State | Districts | Normative Rates 2013-14 | Normative Rates 2014-15 | Normative Rates 2015-16 |
|---------|----------------|---------------|-------------------------|-------------------------|-------------------------|
| 1 | Andhra Pradesh | Anantapur | 4.09 | 4.15 | 3.84 |
| | | Chittoor | 4.58 | 4.65 | 4.30 |
| | | Cuddapah | 5.62 | 5.70 | 5.27 |
| | | East Godavari | 2.84 | 2.88 | 2.66 |
| | | Guntur | 2.39 | 2.42 | 2.24 |
| | | Kadapa | 4.91 | 4.98 | 4.60 |
| | | Krishna | 2.90 | 2.94 | 2.72 |
| | | Nellore | 3.33 | 3.38 | 3.12 |
| | | Nellore | 3.28 | 3.33 | 3.08 |
| | | Prakasam | 2.92 | 2.96 | 2.74 |
| | | Srikakulam | 4.24 | 4.30 | 3.97 |
| | | Visakhapatnam | 3.46 | 3.51 | 3.24 |
| | | Vizianagaram | 4.02 | 4.08 | 3.77 |
| | | West Godavari | 2.87 | 2.91 | 2.69 |
| 2 | Assam | Barpeta | 7.18 | 7.28 | 6.73 |
| | | Bongaigaon | 7.93 | 8.04 | 7.43 |
| | | Cachar | 7.93 | 8.04 | 7.43 |
| | | Chirang | - | 8.04 | 7.43 |
| | | Darrang | 5.62 | 5.70 | 5.27 |

| | | | | | |
|----------|--------------|------------------------|------|------|------|
| | | Dhemaji | - | 8.04 | 7.43 |
| | | Dhubri | 3.57 | 3.62 | 3.35 |
| | | Dibrugarh | 7.93 | 8.04 | 7.43 |
| | | Goalpara | 3.57 | 3.62 | 3.35 |
| | | Golaghat | 7.93 | 8.04 | 7.43 |
| | | Jorhat | 7.93 | 8.04 | 7.43 |
| | | Kamrup | 7.93 | 8.04 | 7.43 |
| | | Kamrup Metropolitan | - | 8.04 | 7.43 |
| | | Karimganj | 5.62 | 5.70 | 5.27 |
| | | Lakhimpur | 7.93 | 8.04 | 7.43 |
| | | Marigaon | 5.62 | 5.70 | 5.27 |
| | | Nagaon | 7.93 | 8.04 | 7.43 |
| | | Nalbari | 5.62 | 5.70 | 5.27 |
| | | Sonitpur | 7.93 | 8.04 | 7.43 |
| | | Tinsukia | 7.93 | 8.04 | 7.43 |
| | | Udalguri | - | 8.04 | 7.43 |
| 3 | Bihar | Araria | 2.71 | 2.75 | 2.54 |
| | | Arwal | 3.23 | 3.28 | 3.03 |
| | | Aurangabad | 5.62 | 5.70 | 5.27 |
| | | Banka | 3.55 | 3.60 | 3.33 |
| | | Begusarai | 7.93 | 8.04 | 7.43 |
| | | Bhagalpur | 7.01 | 7.11 | 6.57 |
| | | Bhojpur | 7.93 | 8.04 | 7.43 |
| | | Buxar | 4.24 | 4.30 | 3.97 |
| | | Darbhanga | 5.59 | 5.67 | 5.24 |
| | | Deoria | 5.62 | 5.70 | 5.27 |
| | | East Champaran | 5.62 | 5.70 | 5.27 |
| | | Gaya | 5.62 | 5.70 | 5.27 |

Department of Fertilizers

| | | | | | |
|--|--|----------------|------|------|------|
| | | Gopalganj | 5.62 | 5.70 | 5.27 |
| | | Jamui | 2.52 | 2.56 | 2.37 |
| | | Jehanabad | 4.97 | 5.04 | 4.66 |
| | | Kaimur | 4.35 | 4.41 | 4.08 |
| | | Katihar | 5.62 | 5.70 | 5.27 |
| | | Khagaria | 6.28 | 6.37 | 5.89 |
| | | Kishanganj | 6.63 | 6.73 | 6.22 |
| | | Lakhisarai | 3.24 | 3.29 | 3.04 |
| | | Madhepura | 3.94 | 4.00 | 3.70 |
| | | Madhubani | 5.46 | 5.54 | 5.12 |
| | | Munger | 2.93 | 2.97 | 2.74 |
| | | Muzaffarpur | 7.93 | 8.04 | 7.43 |
| | | Nalanda | 6.44 | 6.53 | 6.04 |
| | | Nawada | 5.72 | 5.80 | 5.36 |
| | | Patna | 5.96 | 6.05 | 5.59 |
| | | Purnia | 4.97 | 5.04 | 4.66 |
| | | Rohtas | 7.50 | 7.61 | 7.03 |
| | | Saharsa | 5.62 | 5.70 | 5.27 |
| | | Samastipur | 5.62 | 5.70 | 5.27 |
| | | Saran | 5.62 | 5.70 | 5.27 |
| | | Sheikhpura | 4.18 | 4.24 | 3.92 |
| | | Sheohar | 2.36 | 2.39 | 2.21 |
| | | Sitamarhi | 4.18 | 4.24 | 3.92 |
| | | Siwan | 7.39 | 7.50 | 6.93 |
| | | Supaul | 3.47 | 3.52 | 3.25 |
| | | Vaishali | 5.62 | 5.70 | 5.27 |
| | | West Champaran | 5.62 | 5.70 | 5.27 |

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|---|----------------------|----------------|------|------|------|
| 4 | Chattisgarh | Bastar | 4.97 | 5.04 | 4.66 |
| | | Beejapur | 3.57 | 3.62 | 3.35 |
| | | Bilaspur | 5.37 | 5.45 | 5.04 |
| | | Dantewada | 3.57 | 3.62 | 3.35 |
| | | Dhamtari | 4.54 | 4.61 | 4.26 |
| | | Durg | 5.62 | 5.70 | 5.27 |
| | | Jagdalpur | 3.56 | 3.61 | 3.34 |
| | | Janjgir-Champa | 4.24 | 4.30 | 3.97 |
| | | Jashpur | 3.57 | 3.62 | 3.35 |
| | | Kabirdham | 4.31 | 4.37 | 4.04 |
| | | Kanker | 3.57 | 3.62 | 3.35 |
| | | Kawardha | 3.57 | 3.62 | 3.35 |
| | | Korba | 5.54 | 5.62 | 5.19 |
| | | Koriya | 4.50 | 4.57 | 4.22 |
| | | Mahasamund | 4.24 | 4.30 | 3.97 |
| | | Narayanpur | 4.65 | 4.72 | 4.36 |
| | | Palamu | 5.62 | 5.70 | 5.27 |
| | | Raigarh | 4.24 | 4.30 | 3.97 |
| | | Raipur | 5.62 | 5.70 | 5.27 |
| | | Rajnandgaon | 5.62 | 5.70 | 5.27 |
| | | Surguja | 3.60 | 3.65 | 3.37 |
| 5 | Dadra & Nagar Haveli | D&N | 3.78 | 3.83 | 3.54 |
| 6 | Goa | North Goa | 3.57 | 3.62 | 3.35 |
| | | South Goa | 2.75 | 2.79 | 2.58 |
| 7 | Gujarat | Ahmedabad | 3.70 | 3.75 | 3.47 |
| | | Amreli | 3.32 | 3.37 | 3.11 |
| | | Anand | 5.62 | 5.70 | 5.27 |

Department of Fertilizers

| | | | | |
|--|-----------------|------|------|------|
| | Aravalli | - | 4.57 | 4.22 |
| | Banas Kantha | 3.56 | 3.61 | 3.34 |
| | Baroda | 2.91 | 2.95 | 2.73 |
| | Bharuch | 5.27 | 5.35 | 4.94 |
| | Bhavnagar | 3.61 | 3.66 | 3.38 |
| | Botad | - | 3.75 | 3.47 |
| | Chhotaudepur | - | 4.45 | 4.11 |
| | Dahod | 4.02 | 4.08 | 3.77 |
| | Dangs | 3.57 | 3.62 | 3.35 |
| | Devbhumi Dwarka | - | 3.97 | 3.67 |
| | Gandhinagar | 4.87 | 4.94 | 4.57 |
| | Gir Somnath | - | 3.56 | 3.29 |
| | Jamnagar | 3.91 | 3.97 | 3.67 |
| | Junagadh | 3.51 | 3.56 | 3.29 |
| | Kheda | 5.62 | 5.70 | 5.27 |
| | Kutch | 2.36 | 2.39 | 2.21 |
| | Mahesana | 4.77 | 4.84 | 4.47 |
| | Mahisagar | - | 4.80 | 4.44 |
| | Morbi | - | 4.29 | 3.97 |
| | Narmada | 4.34 | 4.40 | 4.07 |
| | Navsari | 4.74 | 4.81 | 4.45 |
| | Panch Mahals | 4.73 | 4.80 | 4.44 |
| | Patan | 3.72 | 3.77 | 3.48 |
| | Porbandar | 3.48 | 3.53 | 3.26 |
| | Rajkot | 4.87 | 4.94 | 4.57 |
| | Sabar Kantha | 4.50 | 4.57 | 4.22 |
| | Surat | 5.62 | 5.70 | 5.27 |
| | Surendranagar | 3.91 | 3.97 | 3.67 |
| | Tapi | 4.19 | 4.25 | 3.93 |

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|-----------|----------------------------|--------------|------|------|------|
| | | Vadodara | 4.39 | 4.45 | 4.11 |
| | | Valsad | 4.56 | 4.63 | 4.28 |
| 8 | Haryana | Ambala | 5.44 | 5.52 | 5.10 |
| | | Bhiwani | 5.62 | 5.70 | 5.27 |
| | | Faridabad | 4.93 | 5.00 | 4.62 |
| | | Fatehabad | 5.82 | 5.90 | 5.45 |
| | | Gurgaon | 4.23 | 4.29 | 3.96 |
| | | Hisar | 4.56 | 4.63 | 4.28 |
| | | Jhajjar | 5.62 | 5.70 | 5.27 |
| | | Jind | 5.37 | 5.45 | 5.04 |
| | | Kaithal | 6.77 | 6.87 | 6.35 |
| | | Karnal | 7.93 | 8.04 | 7.43 |
| | | Kurukshetra | 6.88 | 6.98 | 6.45 |
| | | Mahendragarh | 4.30 | 4.36 | 4.03 |
| | | Mewat | 3.86 | 3.92 | 3.62 |
| | | Panchkula | 4.67 | 4.74 | 4.38 |
| | | Panipat | 4.78 | 4.85 | 4.48 |
| | | Rewari | 7.93 | 8.04 | 7.43 |
| | | Rohtak | 7.43 | 7.54 | 6.97 |
| | | Sirsa | 5.54 | 5.62 | 5.19 |
| | | Sonipat | 6.78 | 6.88 | 6.36 |
| | | Yamunanagar | 5.41 | 5.49 | 5.07 |
| 9 | Jammu & Kashmir | Jammu | 7.93 | 8.04 | 7.43 |
| 10 | Jharkhand | Bokaro | 2.36 | 2.39 | 2.21 |
| | | Chatra | 3.07 | 3.11 | 2.87 |
| | | Deoghar | 5.62 | 5.70 | 5.27 |
| | | Dhanbad | 2.36 | 2.39 | 2.21 |
| | | Dumka | 5.62 | 5.70 | 5.27 |

Department of Fertilizers

| | | | | | |
|-----------|------------------|-----------------|------|------|------|
| | | East Singhbhum | 2.36 | 2.39 | 2.21 |
| | | Garhwa | 3.82 | 3.88 | 3.59 |
| | | Giridih | 3.00 | 3.04 | 2.81 |
| | | Godda | 2.75 | 2.79 | 2.58 |
| | | Gumla | 3.57 | 3.62 | 3.35 |
| | | Hazaribag | 3.43 | 3.48 | 3.22 |
| | | Jamtara | 3.28 | 3.33 | 3.08 |
| | | Koderma | 3.29 | 3.34 | 3.09 |
| | | Latehar | 3.30 | 3.35 | 3.10 |
| | | Lohardaga | 3.62 | 3.67 | 3.39 |
| | | Pakur | 2.36 | 2.39 | 2.21 |
| | | Palamu | 3.87 | 3.93 | 3.63 |
| | | Ramgarh | - | 3.48 | 3.22 |
| | | Ranchi | 5.62 | 5.70 | 5.27 |
| | | Sahibganj | 3.16 | 3.21 | 2.97 |
| | | Seraikela | 3.29 | 3.34 | 3.09 |
| | | Simdega | 3.08 | 3.12 | 2.88 |
| | | West Singhbhum | 2.76 | 2.80 | 2.59 |
| 11 | Karnataka | Bagalkot | 3.47 | 3.52 | 3.25 |
| | | Bangalore Urban | 5.30 | 5.38 | 4.97 |
| | | Bangalore Rural | 4.20 | 4.26 | 3.94 |
| | | Belgaum | 3.46 | 3.51 | 3.24 |
| | | Bellary | 4.35 | 4.41 | 4.08 |
| | | Bidar | 3.39 | 3.44 | 3.18 |
| | | Bijapur | 4.43 | 4.49 | 4.15 |
| | | C. Mangalore | 4.50 | 4.57 | 4.22 |
| | | Chamrajnagar | 4.18 | 4.24 | 3.92 |
| | | Chickmagalur | 4.39 | 4.45 | 4.11 |
| | | Chikballapur | 4.07 | 4.13 | 3.82 |

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|-----------|---------------|---------------|------|------|------|
| | | Chitradurga | 3.24 | 3.29 | 3.04 |
| | | Davangere | 5.62 | 5.70 | 5.27 |
| | | Dharwad | 3.67 | 3.72 | 3.44 |
| | | Gadag | 2.91 | 2.95 | 2.73 |
| | | Gulbarga | 3.95 | 4.01 | 3.71 |
| | | Hassan | 5.30 | 5.38 | 4.97 |
| | | Haveri | 3.04 | 3.08 | 2.85 |
| | | Kodagu | 3.57 | 3.62 | 3.35 |
| | | Kolar | 3.28 | 3.33 | 3.08 |
| | | Koppal | 4.75 | 4.82 | 4.45 |
| | | Mandya | 5.56 | 5.64 | 5.21 |
| | | Mysore | 4.27 | 4.33 | 4.00 |
| | | North Kannada | 2.66 | 2.70 | 2.50 |
| | | Raichur | 4.64 | 4.71 | 4.35 |
| | | Ramanagaram | 3.88 | 3.94 | 3.64 |
| | | Shimoga | 4.15 | 4.21 | 3.89 |
| | | South Kannada | 3.91 | 3.97 | 3.67 |
| | | Tum-kur | 3.43 | 3.48 | 3.22 |
| | | Udupi | 4.72 | 4.79 | 4.43 |
| 12 | Kerala | Alappuzha | 5.62 | 5.70 | 5.27 |
| | | Ernakulam | 5.62 | 5.70 | 5.27 |
| | | Idukki | 3.57 | 3.62 | 3.35 |
| | | Kannur | 5.30 | 5.38 | 4.97 |
| | | Kasargod | 3.57 | 3.62 | 3.35 |
| | | Kollam | 4.86 | 4.93 | 4.56 |
| | | Kottayam | 7.58 | 7.69 | 7.11 |
| | | Kozhikode | 5.26 | 5.34 | 4.94 |
| | | Malappuram | 4.54 | 4.61 | 4.26 |
| | | Palakkad | 5.62 | 5.70 | 5.27 |

Department of Fertilizers

| | | | | | |
|-----------|-----------------------|--------------------|------|------|------|
| | | Pathanamthitta | 5.62 | 5.70 | 5.27 |
| | | Thiruvananthapuram | 3.57 | 3.62 | 3.35 |
| | | Thrissur | 5.62 | 5.70 | 5.27 |
| | | Wayanad | 5.62 | 5.70 | 5.27 |
| 13 | Madhya Pradesh | Aliraj Pur | 2.66 | 2.70 | 2.50 |
| | | Anuppur | 2.60 | 2.64 | 2.44 |
| | | Ashoknagar | 2.36 | 2.39 | 2.21 |
| | | Balaghat | 4.39 | 4.45 | 4.11 |
| | | Barwani | 3.16 | 3.21 | 2.97 |
| | | Betul | 5.21 | 5.29 | 4.89 |
| | | Bhind | 3.77 | 3.82 | 3.53 |
| | | Bhopal | 5.10 | 5.17 | 4.78 |
| | | Burhanpur | 4.19 | 4.25 | 3.93 |
| | | Chhatarpur | 3.40 | 3.45 | 3.19 |
| | | Chhindwara | 3.28 | 3.33 | 3.08 |
| | | Damoh | 3.70 | 3.75 | 3.47 |
| | | Datia | 3.17 | 3.22 | 2.98 |
| | | Dewas | 4.13 | 4.19 | 3.87 |
| | | Dhar | 3.68 | 3.73 | 3.45 |
| | | Dindori | 2.54 | 2.58 | 2.38 |
| | | Guna | 2.60 | 2.64 | 2.44 |
| | | Gwalior | 3.87 | 3.93 | 3.63 |
| | | Harda | 5.62 | 5.70 | 5.27 |
| | | Hoshangabad | 5.62 | 5.70 | 5.27 |
| | | Indore | 5.62 | 5.70 | 5.27 |
| | | Jabalpur | 2.90 | 2.94 | 2.72 |
| | | Jhabua | 3.99 | 4.05 | 3.74 |
| | | Katni | 4.28 | 4.34 | 4.01 |

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|-----------|--------------------|--------------|------|------|------|
| | | Khandwa | 4.24 | 4.30 | 3.97 |
| | | Khargone | 3.77 | 3.82 | 3.53 |
| | | Mandla | 2.51 | 2.55 | 2.36 |
| | | Mandsour | 3.13 | 3.18 | 2.94 |
| | | Morena | 3.65 | 3.70 | 3.42 |
| | | Narsinghpur | 2.65 | 2.69 | 2.49 |
| | | Neemuch | 2.80 | 2.84 | 2.62 |
| | | Panna | 4.20 | 4.26 | 3.94 |
| | | Raigarh | 3.85 | 3.91 | 3.61 |
| | | Raisen | 5.49 | 5.57 | 5.15 |
| | | Rajgarh | 4.06 | 4.12 | 3.81 |
| | | Ratlam | 5.32 | 5.40 | 4.99 |
| | | Rewa | 3.99 | 4.05 | 3.74 |
| | | Sagar | 3.41 | 3.46 | 3.20 |
| | | Satna | 3.55 | 3.60 | 3.33 |
| | | Sehore | 5.12 | 5.19 | 4.80 |
| | | Seoni | 3.12 | 3.17 | 2.93 |
| | | Shahdol | 3.00 | 3.04 | 2.81 |
| | | Shajapur | 4.23 | 4.29 | 3.96 |
| | | Shivpuri | 3.09 | 3.13 | 2.89 |
| | | Shoepurkalan | 2.59 | 2.63 | 2.43 |
| | | Shujalpur | 4.25 | 4.31 | 3.98 |
| | | Sidhi | 2.85 | 2.89 | 2.67 |
| | | Tikamgarh | 3.12 | 3.17 | 2.93 |
| | | Ujjain | 4.70 | 4.77 | 4.41 |
| | | Umaria | 3.94 | 4.00 | 3.70 |
| | | Vidisha | 4.89 | 4.96 | 4.58 |
| 14 | Maharashtra | Ahmednagar | 5.23 | 5.31 | 4.91 |

Department of Fertilizers

| | | | | | |
|--|--|-----------------|------|------|------|
| | | Akola | 5.28 | 5.36 | 4.95 |
| | | Amravati | 5.56 | 5.64 | 5.21 |
| | | Aurangabad | 4.10 | 4.16 | 3.84 |
| | | Bandra Suburban | - | 5.70 | 5.27 |
| | | Beed | 3.46 | 3.51 | 3.24 |
| | | Bhandara | 3.60 | 3.65 | 3.37 |
| | | Buldhana | 4.09 | 4.15 | 3.84 |
| | | Chandrapur | 4.20 | 4.26 | 3.94 |
| | | Dhule | 4.72 | 4.79 | 4.43 |
| | | Gadchiroli | 2.84 | 2.88 | 2.66 |
| | | Gondia | 3.61 | 3.66 | 3.38 |
| | | Hingoli | 3.68 | 3.73 | 3.45 |
| | | Jalgaon | 4.28 | 4.34 | 4.01 |
| | | Jalna | 4.33 | 4.39 | 4.06 |
| | | Kolhapur | 5.62 | 5.70 | 5.27 |
| | | Latur | 4.13 | 4.19 | 3.87 |
| | | Mumbai | 5.62 | 5.70 | 5.27 |
| | | Nagpur | 5.62 | 5.70 | 5.27 |
| | | Nanded | 3.40 | 3.45 | 3.19 |
| | | Nandurbar | 3.94 | 4.00 | 3.70 |
| | | Nashik | 5.61 | 5.69 | 5.26 |
| | | Osmanabad | 3.48 | 3.53 | 3.26 |
| | | Palghar | - | 2.39 | 2.21 |
| | | Parbhani | 3.79 | 3.84 | 3.55 |
| | | Pune | 4.39 | 4.45 | 4.11 |
| | | Raigarh | 2.76 | 2.80 | 2.59 |
| | | Ratnagiri | 5.62 | 5.70 | 5.27 |
| | | Sangli | 5.62 | 5.70 | 5.27 |

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|-----------|---------------|----------------|------|------|------|
| | | Satara | 5.08 | 5.15 | 4.76 |
| | | Sindhudurg | 3.57 | 3.62 | 3.35 |
| | | Solapur | 4.49 | 4.56 | 4.21 |
| | | Thane | 2.36 | 2.39 | 2.21 |
| | | Wardha | 6.29 | 6.38 | 5.90 |
| | | Washim | 5.62 | 5.70 | 5.27 |
| | | Yavatmal | 4.89 | 4.96 | 4.58 |
| 15 | Odisha | Angul | 3.57 | 3.62 | 3.35 |
| | | Balangir | 7.93 | 8.04 | 7.43 |
| | | Baleswar | 4.69 | 4.76 | 4.40 |
| | | Bargarh | 5.49 | 5.57 | 5.15 |
| | | Bhadrak | 5.62 | 5.70 | 5.27 |
| | | Balangir | 7.93 | 8.04 | 7.43 |
| | | Boudh | 3.57 | 3.62 | 3.35 |
| | | Cuttack | 7.40 | 7.51 | 6.94 |
| | | Deogarh | 3.57 | 3.62 | 3.35 |
| | | Dhenkanal | 5.62 | 5.70 | 5.27 |
| | | Gajapati | 3.57 | 3.62 | 3.35 |
| | | Ganjam | 5.62 | 5.70 | 5.27 |
| | | Jagatsinghapur | 5.62 | 5.70 | 5.27 |
| | | Jaipur | 5.62 | 5.70 | 5.27 |
| | | Jharsuguda | 5.62 | 5.70 | 5.27 |
| | | Kalahandi | 5.18 | 5.26 | 4.86 |
| | | Kandhamal | 3.57 | 3.62 | 3.35 |
| | | Kendrapara | 5.62 | 5.70 | 5.27 |
| | | Kendujhar | 3.57 | 3.62 | 3.35 |
| | | Keonjhar | 5.62 | 5.70 | 5.27 |
| | | Khordha | 5.62 | 5.70 | 5.27 |

Department of Fertilizers

| | | | | | |
|-----------|-------------------|--------------------------------------|------|------|------|
| | | Malkangiri | 3.57 | 3.62 | 3.35 |
| | | Mayurbhanj | 3.57 | 3.62 | 3.35 |
| | | Nabarangapur | 3.57 | 3.62 | 3.35 |
| | | Nayagarh | 5.54 | 5.62 | 5.19 |
| | | Nuapada | 5.62 | 5.70 | 5.27 |
| | | Puri | 5.62 | 5.70 | 5.27 |
| | | Rayagada | 3.57 | 3.62 | 3.35 |
| | | Sambalpur | 5.06 | 5.13 | 4.74 |
| | | Sonepur | 4.49 | 4.56 | 4.21 |
| | | Sundergarh | 3.22 | 3.27 | 3.02 |
| 16 | Puducherry | Karaikal | 3.57 | 3.62 | 3.35 |
| | | Pondicherry | 3.45 | 3.50 | 3.23 |
| | | Yanam | 2.98 | 3.02 | 2.79 |
| 17 | Punjab | Amritsar | 4.55 | 4.62 | 4.27 |
| | | Barnala | 3.85 | 3.91 | 3.61 |
| | | Bathinda | 5.62 | 5.70 | 5.27 |
| | | Faridkot | 5.59 | 5.67 | 5.24 |
| | | Fatehgarh Sahib | 5.26 | 5.34 | 4.94 |
| | | Fazilka | - | 5.70 | 5.27 |
| | | Firozpur | 5.62 | 5.70 | 5.27 |
| | | Gurdaspur | 4.79 | 4.86 | 4.49 |
| | | Hoshiarpur | 4.62 | 4.69 | 4.33 |
| | | Jalandhar | 4.79 | 4.86 | 4.49 |
| | | Kapurthala | 4.69 | 4.76 | 4.40 |
| | | Ludhiana | 5.21 | 5.29 | 4.89 |
| | | Mansa | 5.62 | 5.70 | 5.27 |
| | | Moga | 5.62 | 5.70 | 5.27 |
| | | Mohali/Sahibzada Ajit Singh Nagar | 3.62 | 3.67 | 3.39 |

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|-----------|------------------|---|------|------|------|
| | | Muktsar | 5.98 | 6.07 | 5.61 |
| | | Nawanshahr/Shahid Bhagat Singh Nagar | 3.45 | 3.50 | 3.23 |
| | | Pathankot | - | 4.86 | 4.49 |
| | | Patiala | 4.58 | 4.65 | 4.30 |
| | | Rupnagar | 2.36 | 2.39 | 2.21 |
| | | Sangrur | 6.59 | 6.69 | 6.18 |
| | | Tarntaran | 4.58 | 4.65 | 4.30 |
| 18 | Rajasthan | Ajmer | 2.36 | 2.39 | 2.21 |
| | | Alwar | 3.84 | 3.90 | 3.60 |
| | | Banswara | 2.85 | 2.89 | 2.67 |
| | | Baran | 4.15 | 4.21 | 3.89 |
| | | Barmer | 2.36 | 2.39 | 2.21 |
| | | Bharatpur | 4.18 | 4.24 | 3.92 |
| | | Bhilwara | 3.33 | 3.38 | 3.12 |
| | | Bikaner | 2.36 | 2.39 | 2.21 |
| | | Bundi | 3.29 | 3.34 | 3.09 |
| | | Chittorgarh | 3.73 | 3.78 | 3.49 |
| | | Churu | 2.36 | 2.39 | 2.21 |
| | | Dausa | 3.45 | 3.50 | 3.23 |
| | | Dholpur | 3.16 | 3.21 | 2.97 |
| | | Dungarpur | 3.91 | 3.97 | 3.67 |
| | | Hanumangarh | 5.62 | 5.70 | 5.27 |
| | | Jaipur | 3.67 | 3.72 | 3.44 |
| | | Jaisalmer | 2.36 | 2.39 | 2.21 |
| | | Jalor | 2.70 | 2.74 | 2.53 |
| | | Jhalawar | 2.44 | 2.48 | 2.29 |
| | | Jhunjhunu | 2.60 | 2.64 | 2.44 |
| | | Jodhpur | 2.36 | 2.39 | 2.21 |

Department of Fertilizers

| | | | | | |
|-----------|-------------------|----------------|------|------|------|
| | | Karauli | 4.69 | 4.76 | 4.40 |
| | | Kota | 3.38 | 3.43 | 3.17 |
| | | Nagaur | 2.51 | 2.55 | 2.36 |
| | | Pali | 3.30 | 3.35 | 3.10 |
| | | Pratapgarh | 2.75 | 2.79 | 2.58 |
| | | Rajsamand | 2.91 | 2.95 | 2.73 |
| | | Sawai Madhopur | 3.84 | 3.90 | 3.60 |
| | | Sikar | 2.62 | 2.66 | 2.46 |
| | | Sirohi | 3.00 | 3.04 | 2.81 |
| | | Sri Ganganagar | 3.45 | 3.50 | 3.23 |
| | | Tonk | 2.37 | 2.40 | 2.22 |
| | | Udaipur | 3.30 | 3.35 | 3.10 |
| 19 | Tamil Nadu | Ariyalur | 3.22 | 3.27 | 3.02 |
| | | Chennai | 3.92 | 3.98 | 3.68 |
| | | Coimbatore | 5.62 | 5.70 | 5.27 |
| | | Cuddalore | 5.41 | 5.49 | 5.07 |
| | | Dharmapuri | 5.14 | 5.21 | 4.82 |
| | | Dindigul | 4.79 | 4.86 | 4.49 |
| | | Erode | 4.49 | 4.56 | 4.21 |
| | | Kanchipuram | 3.51 | 3.56 | 3.29 |
| | | Kanyakumari | 3.57 | 3.62 | 3.35 |
| | | Karur | 4.52 | 4.59 | 4.24 |
| | | Krishnagiri | 3.07 | 3.11 | 2.87 |
| | | Madurai | 4.48 | 4.54 | 4.20 |
| | | Nagapattinam | 4.58 | 4.65 | 4.30 |
| | | Namakkal | 4.95 | 5.02 | 4.64 |
| | | Nilgiris | 5.62 | 5.70 | 5.27 |
| | | Perambalur | 4.86 | 4.93 | 4.56 |
| | | Pudukkottai | 4.62 | 4.69 | 4.33 |

| | | | | | |
|-----------|----------------------|-----------------|------|------|------|
| | | Ramanathapuram | 3.57 | 3.62 | 3.35 |
| | | Salem | 4.65 | 4.72 | 4.36 |
| | | Sivaganga | 4.97 | 5.04 | 4.66 |
| | | Thanjavur | 5.62 | 5.70 | 5.27 |
| | | Theni | 3.57 | 3.62 | 3.35 |
| | | Thoothukudi | 3.57 | 3.62 | 3.35 |
| | | Tiruchirappalli | 5.33 | 5.41 | 5.00 |
| | | Tirunelveli | 3.29 | 3.34 | 3.09 |
| | | Tiruvallur | 4.23 | 4.29 | 3.96 |
| | | Tiruvannamalai | 3.57 | 3.62 | 3.35 |
| | | Tiruvarur | 5.14 | 5.21 | 4.82 |
| | | Vellore | 5.02 | 5.09 | 4.70 |
| | | Viluppuram | 4.15 | 4.21 | 3.89 |
| | | Virudhunagar | 3.57 | 3.62 | 3.35 |
| 20 | Telangana | Adilabad | 2.73 | 2.77 | 2.56 |
| | | Hyderabad | 2.85 | 2.89 | 2.67 |
| | | Karimnagar | 3.29 | 3.34 | 3.09 |
| | | Khammam | 2.36 | 2.39 | 2.21 |
| | | Mahbubnagar | 3.08 | 3.12 | 2.88 |
| | | Medak | 2.71 | 2.75 | 2.54 |
| | | Medchal | - | 3.44 | 3.18 |
| | | Nalgonda | 2.56 | 2.60 | 2.40 |
| | | Nizamabad | 4.10 | 4.16 | 3.84 |
| | | Rangareddy | 3.39 | 3.44 | 3.18 |
| | | Vikarabad | - | 3.44 | 3.18 |
| | | Warangal | 3.01 | 3.05 | 2.82 |
| 21 | Uttar Pradesh | Agra | 4.11 | 4.17 | 3.85 |
| | | Aligarh | 4.02 | 4.08 | 3.77 |
| | | Allahabad | 4.00 | 4.06 | 3.75 |

Department of Fertilizers

| | | | | | |
|--|--|------------------------|------|------|------|
| | | Ambedkar Nagar | 4.91 | 4.98 | 4.60 |
| | | Auraiya | 3.94 | 4.00 | 3.70 |
| | | Azamgarh | 4.54 | 4.61 | 4.26 |
| | | Bagpat | 4.09 | 4.15 | 3.84 |
| | | Bahraich | 5.14 | 5.21 | 4.82 |
| | | Ballia | 4.06 | 4.12 | 3.81 |
| | | Balrampur | 4.52 | 4.59 | 4.24 |
| | | Banda | 5.62 | 5.70 | 5.27 |
| | | Barabanki | 4.67 | 4.74 | 4.38 |
| | | Bareilly | 4.70 | 4.77 | 4.41 |
| | | Basti | 4.57 | 4.64 | 4.29 |
| | | Bijnor | 4.91 | 4.98 | 4.60 |
| | | Bhadohi | 4.50 | 4.57 | 4.22 |
| | | Bulandshahr | 4.36 | 4.42 | 4.08 |
| | | Chandauli | 5.18 | 5.26 | 4.86 |
| | | Chitrakoot | 4.97 | 5.04 | 4.66 |
| | | Deoria | 4.52 | 4.59 | 4.24 |
| | | Etah | 4.13 | 4.19 | 3.87 |
| | | Etawah | 4.16 | 4.22 | 3.90 |
| | | Faizabad | 4.73 | 4.80 | 4.44 |
| | | Farrukhabad | 5.49 | 5.57 | 5.15 |
| | | Fatehpur | 3.97 | 4.03 | 3.72 |
| | | Firozabad | 4.34 | 4.40 | 4.07 |
| | | Gautam Buddha Nagar | 4.97 | 5.04 | 4.66 |
| | | Ghazipur | 5.05 | 5.12 | 4.73 |
| | | Ghaziabad | 4.95 | 5.02 | 4.64 |
| | | Gonda | 4.01 | 4.07 | 3.76 |
| | | Gorakhpur | 4.62 | 4.69 | 4.33 |
| | | Hamirpur | 4.77 | 4.84 | 4.47 |

| | | | | | |
|--|--|---------------------|------|------|------|
| | | Hapur | - | 5.02 | 4.64 |
| | | Hardoi | 4.28 | 4.34 | 4.01 |
| | | Hathras | 3.82 | 3.88 | 3.59 |
| | | Jalaun | 4.00 | 4.06 | 3.75 |
| | | Jaunpur | 3.62 | 3.67 | 3.39 |
| | | Jhansi | 3.57 | 3.62 | 3.35 |
| | | Jyotiba Phule Nagar | 4.96 | 5.03 | 4.65 |
| | | Kannauj | 3.69 | 3.74 | 3.46 |
| | | Kanpur Dehat | 3.55 | 3.60 | 3.33 |
| | | Kanpur Nagar | 4.58 | 4.65 | 4.30 |
| | | Kashganj | 2.36 | 2.39 | 2.21 |
| | | Kaushambi | 4.20 | 4.26 | 3.94 |
| | | Kushinagar | 3.12 | 3.17 | 2.93 |
| | | Lakhimpur Kheri | 4.31 | 4.37 | 4.04 |
| | | Lalitpur | 2.36 | 2.39 | 2.21 |
| | | Lucknow | 4.64 | 4.71 | 4.35 |
| | | Maharajganj | 4.46 | 4.52 | 4.18 |
| | | Mahoba | 4.89 | 4.96 | 4.58 |
| | | Mainpuri | 4.19 | 4.25 | 3.93 |
| | | Mathura | 3.85 | 3.91 | 3.61 |
| | | Mau | 4.57 | 4.64 | 4.29 |
| | | Meerut | 4.45 | 4.51 | 4.17 |
| | | Mirzapur | 3.80 | 3.86 | 3.57 |
| | | Moradabad | 4.18 | 4.24 | 3.92 |
| | | Muzaffarnagar | 4.23 | 4.29 | 3.96 |
| | | Pilibhit | 4.70 | 4.77 | 4.41 |
| | | Pratapgarh | 4.06 | 4.12 | 3.81 |
| | | Rae Bareli | 4.27 | 4.33 | 4.00 |
| | | Rampur | 4.65 | 4.72 | 4.36 |

Department of Fertilizers

| | | | | | |
|-----------|--------------------|--------------------|------|------|------|
| | | Saharanpur | 4.13 | 4.19 | 3.87 |
| | | Sambhal | - | 4.24 | 3.92 |
| | | Sant Kabir Nagar | 5.41 | 5.49 | 5.07 |
| | | Sant Ravidas Nagar | 3.88 | 3.94 | 3.64 |
| | | Shahjahanpur | 4.58 | 4.65 | 4.30 |
| | | Shamli | - | 4.29 | 3.96 |
| | | Shrawasti | 5.62 | 5.70 | 5.27 |
| | | Siddharthnagar | 4.24 | 4.30 | 3.97 |
| | | Sitapur | 4.47 | 4.53 | 4.19 |
| | | Sonbhadra | 3.92 | 3.98 | 3.68 |
| | | Sultanpur | 3.70 | 3.75 | 3.47 |
| | | Unnao | 4.33 | 4.39 | 4.06 |
| | | Varanasi | 5.18 | 5.26 | 4.86 |
| 22 | Uttarakhand | Almora | 2.36 | 2.39 | 2.21 |
| | | Bageshwar | 2.36 | 2.39 | 2.21 |
| | | Chamoli | 2.36 | 2.39 | 2.21 |
| | | Champawat | 2.36 | 2.39 | 2.21 |
| | | Dehradun | 4.93 | 5.00 | 4.62 |
| | | Haridwar | 4.62 | 4.69 | 4.33 |
| | | Nainital | 3.92 | 3.98 | 3.68 |
| | | Pauri Garhwal | 5.62 | 5.70 | 5.27 |
| | | Pithoragarh | 2.56 | 2.60 | 2.40 |
| | | Rudraprayag | 2.98 | 3.02 | 2.79 |
| | | Tehri Garhwal | 3.49 | 3.54 | 3.27 |
| | | Udham Singh Nagar | 5.73 | 5.81 | 5.37 |
| | | Uttarkashi | 2.36 | 2.39 | 2.21 |
| 23 | West Bengal | Bankura | 5.27 | 5.35 | 4.94 |
| | | Bardhaman | 5.43 | 5.51 | 5.09 |
| | | Birbhum | 4.93 | 5.00 | 4.62 |

| | | | | | |
|--|--|-------------------|------|------|------|
| | | Cooch Behar | 4.88 | 4.95 | 4.57 |
| | | Darjiling | 5.62 | 5.70 | 5.27 |
| | | East Midnapore | 4.87 | 4.94 | 4.57 |
| | | Hooghly | 4.46 | 4.52 | 4.18 |
| | | Howrah | 4.67 | 4.74 | 4.38 |
| | | Jalpaiguri | 5.42 | 5.50 | 5.08 |
| | | Kolkata | 3.57 | 3.62 | 3.35 |
| | | Malda | 3.57 | 3.62 | 3.35 |
| | | Murshidabad | 5.27 | 5.35 | 4.94 |
| | | Nadia | 5.62 | 5.70 | 5.27 |
| | | North 24 Parganas | 5.57 | 5.65 | 5.22 |
| | | North Dinajpur | 3.78 | 3.83 | 3.54 |
| | | Puruliya | 4.34 | 4.40 | 4.07 |
| | | South 24 Parganas | 4.00 | 4.06 | 3.75 |
| | | South Dinajpur | 2.56 | 2.60 | 2.40 |
| | | West Midnapore | 5.62 | 5.70 | 5.27 |

ANNEXURE - XXIII**STATUS OF DBT ROLLOUT IN PILOT DISTRICTS**

| Sr. No. | District | Retailers/PoS Required | PoS Received / Deployed | Go live Status |
|---------|------------------------|------------------------|-------------------------|-----------------------------------|
| 1 | Krishna (AP) | 973 | 973/973 | Live (1 st Oct. 2016) |
| 2 | West Godavari (AP) | 1100 | 1100/1100 | |
| 3 | Una (HP) | 230 | 230/221 | Live (1 st Jan. 2017) |
| 4 | Hoshangabad (MP) | 246 | 217/214 | |
| 5 | Pali (Rajasthan) | 343 | 343/270 | |
| 6 | Kishanganj (Bihar) | 349 | 344/308 | Live (1 st Feb. 2017) |
| 7 | Karnal (HR) | 772 | 772/688 | |
| 8 | Kurukshetra (HR) | 550 | 520/506 | |
| 9 | Nasik (Maharashtra) | 1346 | 1200/1200 | |
| 10 | Raigarh (Maharashtra) | 200 | 200/200 | Live (1 st Mar. 2017) |
| 11 | Rangareddy (Telangana) | 205 | 205/184 | |
| 12 | Tumkur (Karnataka) | 533 | 305/282 | |
| 13 | Narmada, (Gujarat) | 95 | 95/95 | |
| 14 | Thrissur, (Kerala) | 178 | 200/200 | Live (1 st Aug. 2017) |
| 15 | Dhanbad, (Jharkhand) | 58 | 58/52 | |
| 16 | Begusarai, (Bihar) | 694 | 694/546 | |
| 17 | Gorakhpur, (UP) | 1488 | 1340/1020 | Training & Deployment in Progress |
| 18 | Malda, (WB) | 1445 | 785/666 | |
| 19 | South 24Parganas, WB) | 2395 | 2305/1106 | Training & Deployment in Progress |
| | Total | 13168 | 11247/9164 | |

ANNEXURE - XXIV

SCHEDULE OF PHASE-WISE ROLL OUT OF DBT IN FERTILIZERS

| S. No. | Name of States / UT's | GO Live Timelines |
|--------|---|---------------------------------|
| 1 | NCT of Delhi live on DBT in fertilizers | 1 st September, 2017 |
| 2 | Mizoram, Daman & Diu, Dadra Nagar Haveli, Manipur, Nagaland, Goa, Puducherry | 1 st October, 2017 |
| 3 | Rajasthan, Uttarakhand, Maharashtra, Andaman & Nicobar Islands, Assam, Tripura. | 1 st November, 2017 |
| 4 | AP, Haryana, Punjab, Chhattisgarh and MP | 1 st December, 2017 |
| 5 | Kerala, Bihar, Karnataka, Jharkhand, Telangana, and TN | 1 st January, 2018 |
| 6. | UP, Gujarat, WB, Odisha and Himachal Pradesh and J&K | 1 st February, 2018 |

ANNEXURE - XXV

POS DEPLOYMENT STATUS AS ON 19-01-2018

| S No. | State/UT | LFS | Training Session Conducted | Number of PoS Requirement | Number of PoS Received | Number of PoS Deployed | Pending for Deployment | Company wise Pendency | Percentage of deployment | Aadhar Saturation |
|-------|--------------------|---------|----------------------------|---------------------------|------------------------|------------------------|------------------------|-----------------------|--------------------------|-------------------|
| 1 | Andhra Pradesh | NFCL | 859 | 9444 | 9206 | 9015 | 191 | 4086 | 95.5% | 91.6% |
| 2 | Telangana | | 93 | 7032 | 6932 | 6852 | 80 | 2107 | 97.4% | 100.5% |
| 3 | Odisha | | 308 | 11679 | 11031 | 9608 | 1423 | 3673 | 82.3% | 87.8% |
| 4 | West Bengal | | 332 | 18336 | 18333 | 15941 | 2392 | 3604 | 86.9% | 93.2% |
| 5 | Delhi | NFL | 6 | 58 | 58 | 58 | 0 | 2751 | 100.0% | 115.3% |
| 6 | Himachal Pradesh | | 79 | 2233 | 2195 | 1939 | 256 | 398 | 86.8% | 99.7% |
| 7 | Chattisgarh | | 82 | 2140 | 2115 | 2107 | 8 | 85 | 98.5% | 92.7% |
| 8 | Jammu & Kashmir | | 139 | 2792 | 2792 | 2476 | 316 | 837 | 88.7% | 66.9% |
| 9 | Punjab | | 126 | 8872 | 8516 | 8417 | 99 | 908 | 94.9% | 99.9% |
| 10 | Bihar | | 286 | 22362 | 21560 | 19577 | 1983 | 5734 | 87.5% | 78.6% |
| 11 | Madhya Pradesh | | 108 | 11645 | 8486 | 8397 | 89 | 40 | 72.1% | 88.3% |
| 12 | Uttarakhand | IFFCO | 41 | 1176 | 1007 | 967 | 40 | 4349 | 82.2% | 96.3% |
| 13 | Jharkhand | | 109 | 2551 | 2492 | 2403 | 89 | 420 | 94.2% | 92.9% |
| 14 | Uttar Pradesh | | 506 | 37048 | 36897 | 32677 | 4220 | 8199 | 88.2% | 81.2% |
| 15 | Karnataka | MCFL | 118 | 8387 | 8000 | 7920 | 80 | 80 | 94.4% | 91.4% |
| 16 | Rajasthan | CFCL | 319 | 10519 | 10359 | 9790 | 569 | 569 | 93.1% | 83.1% |
| 17 | Andaman & Nicobar | SPIC | 4 | 16 | 16 | 15 | 1 | 906 | 93.8% | 92.7% |
| 18 | Ponducherry | | 24 | 95 | 95 | 91 | 4 | 35 | 95.8% | 92.4% |
| 19 | Tamil nadu | | 243 | 12219 | 12025 | 11124 | 901 | 466 | 91.0% | 91.2% |
| 20 | Daman & Diu | GNVFC | 1 | 2 | 2 | 2 | 0 | 1326 | 100.0% | 76.7% |
| 21 | Dadra Nagar Haveli | | 1 | 2 | 2 | 2 | 0 | 0 | 100.0% | 94.5% |
| 22 | Gujarat | | 232 | 10655 | 10016 | 8690 | 1326 | 1095 | 81.6% | 88.3% |
| 23 | Maharashtra | RCF | 314 | 21086 | 20619 | 20339 | 280 | 280 | 96.5% | 91.8% |
| 24 | Kerala | FACT | 182 | 3053 | 2603 | 2142 | 461 | 461 | 70.2% | 98.6% |
| 25 | Haryana | KRIBHCO | 84 | 5935 | 5700 | 5698 | 2 | 2 | 96.0% | 98.7% |
| 26 | Assam | BVFCL | 22 | 569 | 569 | 560 | 9 | 12 | 98.4% | 6.6% |
| 27 | Manipur | | 2 | 37 | 37 | 37 | 0 | 0 | 100.0% | 71.4% |
| 28 | Mizoram | | 1 | 9 | 9 | 9 | 0 | 0 | 100.0% | 66.6% |
| 29 | Nagaland | | 1 | 3 | 3 | 3 | 0 | 1 | 100.0% | 53.5% |
| 30 | Tripura | | 6 | 123 | 123 | 120 | 3 | 3 | 97.6% | 88.5% |
| 31 | Goa | ZACL | 2 | 50 | 50 | 49 | 1 | 1 | 98.0% | 95.8% |
| Total | | | 4630 | 210128 | 201848 | 187025 | 14823 | 14823 | 89.0% | 86.0% |

ANNEXURE - XXVI

STATEMENT SHOWING PER KILO GRAM NBS RATES FOR NUTRIENT N, P, K AND S FOR THE YEAR 2010-11 TO 2016-17

(a) Per Kg NBS rates for nutrients N, P, K, S for the 2010-11 to 2015-16:

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

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

** Excluding the secondary freight of Rs. 300/- PMT, which was being paid separately on per ton per Km basis.

(b) Per MT subsidy on different P & K Fertilizers during 201-11 to 2014-15:

| Sl. No. | Fertilizer Grades(FG) (N P K S nutrient) | 2010-11 | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------|---|------------------------|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| | | 1.4.2010 to 31.12.2010 | 1.1.2011 to 31.3.2011 | | | | | | | |
| 1. | DAP (18-46-0-0) | 16268 | 15968 | 19763 | 14350 | 12350 | 12350 | 12350 | 8945 | 8937 |
| 2. | MAP (11-52-0-0) | 16219 | 15879 | 19803 | 13978 | 12009 | 12009 | 12009 | 8629 | 8327 |
| 3. | TSP (0-46-0-0) | 12087 | 11787 | 14875 | 10030 | 8592 | 8592 | 8592 | 6091 | 5519 |
| 4. | MOP (0-0-60-0) | 14692 | 14392 | 16054 | 14400 | 11300 | 9300 | 9300 | 9282 | 7437 |
| 5. | SSP (0-16-0-11) | 4400 | 4296+200 | 5359 | 3676 | 3173 | 3173 | 3173 | 2343 | 2166 |
| 6. | 16-20-0-13 | 9203 | 9073 | 11030 | 8419 | 7294 | 7294 | 7294 | 5451 | 5729 |
| 7. | 20-20-0-13 | 10133 | 10002 | 12116 | 9379 | 8129 | 8129 | 8129 | 6085 | 6488 |
| 8. | 20-20-0-0 | 9901 | 9770 | 11898 | 9161 | 7911 | 7911 | 7911 | 5819 | 6197 |
| 9. | 28-28-0-0 | 13861 | 11678 | 16657 | 12825 | 11075 | 11075 | 11075 | 8147 | 8676 |
| 10. | 10-26-26-0 | 15521 | 15222 | 18080 | 14309 | 11841 | 10974 | 10974 | 9050 | 8241 |
| 11. | 12-32-16-0 | 15114 | 14825 | 17887 | 13697 | 11496 | 10962 | 10962 | 8615 | 8101 |
| 12. | 14-28-14-0 | 14037 | 13785 | 16602 | 12825 | 10789 | 10323 | 10323 | 8093 | 7753 |
| 13. | 14-35-14-0 | 15877 | 15578 | 18866 | 14351 | 12097 | 11630 | 11630 | 9020 | 8593 |
| 14. | 15-15-15-0 | 11099 | 10926 | 12937 | 10471 | 8758 | 8258 | 8258 | 6685 | 6507 |
| 15. | 17-17-17-0 | 12578 | 12383 | 14662 | 11867 | 9926 | 9359 | 9359 | 7576 | 7375 |
| 16. | 19-19-19-0 | 14058 | 13839 | 16387 | 13263 | 11094 | 10460 | 10460 | 8467 | 8242 |
| 17. | Ammonium Sulphate (20.6-0-0-23) | 5195 | 5195 | 5979 | 5330 | 4686 | 4686 | 4686 | 3736 | 4408 |
| 18. | 16-16-16-0 (w.e.f. 1.7.2010) | 11838 | 11654 | 13800 | 11169 | 9342 | 8809 | 8809 | 7130 | 6941 |
| 19. | 15-15-15-9 (w.e.f. 1.10.2010) | 11259 | 11086 | 13088 | 10622 | 8909 | 8409 | 8409 | 6869 | 6709 |
| 20. | 24-24-0-0(from 1.10.10 to 29.5.12 & w.e.f. 22.6.2012) | 11881 | 11724 | 14278 | 10993 | 9493 | 9493 | 9493 | 6983 | 7437 |
| 21. | DAP Lite(16-44-0-0) (w.e.f. 1.2.11) | NA | 14991 | 18573 | 13434 | 11559 | 11559 | NA | NA | NA |
| 22. | 24-24-0-8 (wef 12.11.13 to 14.2.15) without subsidy on S | NA | NA | NA | NA | 9493 | 9493 | 9493 | 6983 | 7437 |
| 23. | 23-23-0-0 (upto22.6.2012) | 11386 | 11236 | 13686 | 10535 | NA | NA | NA | NA | NA |
| 24. | DAP 4S (w.e.f. 25.2.13 to 7.11.13) without subsidy on S | NA | NA | NA | 14350 | 12350 | NA | NA | NA | NA |
| 25. | DAP Lite - II (14-46-0-0) (w.e.f. 30.8.2011 to 29.8.2012) | NA | NA | 18677 | 13390 | NA | NA | NA | NA | NA |
| 26. | MAP Lite (11-44-0-0) (w.e.f. 30.8.2011 to 29.8.2012) | NA | NA | 17276 | 12234 | NA | NA | NA | NA | NA |
| 27. | 13-33-0-6 (w.e.f. 30.8.2011 to 29.8.2012) | NA | NA | 14302 | 10416 | NA | NA | NA | NA | NA |

NA means not covered under Subsidy regime.

- (c) An amount of Rs. 300 PMT and Rs 500 PMT additional subsidy is provided on subsidized P&K fertilizers fortified/coated with micronutrients namely Boron (B) and Zinc (Zn) respectively during the year 2010-11 to 2017-18.

ANNEXURE - XXVII

ATNS IN RESPECT OF AUDIT OBSERVATIONS INCLUDED IN THE ANNUAL REPORT FOR THE YEAR 2015-16, 2016-17 AND 2017-18.

| Sl. No. | Year of Report | No of Paras/ PA 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 to PAC. |
| 1 | Report No. 16 of year 2015 which has been taken over by PAC as 65 th report (16 th Lok Sabha) | 11 PAC observations | Nil | Nil | Vetting comments of audit on the ATN prepared have been received in the Dept. Final ATN on all the 11 PAC observations will be forwarded to PAC shortly. |
| 2 | 2016 Chapter No.15 para.6.1 in r/o FACT/MFL rege.Marketing Products of Fertilizer Companies. | Nil | Nil | Nil | Nil |
| 3 | 2016 Chapter No.15 Para.6.2 in r/o RCF regarding Infructuous expenditure on leasing of land | Nil | Nil | Nil | Nil |
| 4 | C&AG Compliance Audit report No. 12 of year 2017 | 1 | Nil | 1 | Nil |





