

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

Shastri Bhawan, New Delhi
Dated : 26th July, 2019

OFFICE MEMORANDUM

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

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

This issues with the approval of competent authority.



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

To,

1. All members of Council of Ministers

Copy to :

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

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

1. Overall production performance during the month :

(Fig. in 'LMT')

| Product Name | Production during the month | Cumulative production upto the month |
|-------------------------|-----------------------------|--------------------------------------|
| Urea | 19.70 | 55.70 |
| DAP | 3.45 | 11.67 |
| Ammonium Sulphate (A/S) | 0.53 | 1.20 |
| Complex Fertilizers | 7.15 | 18.91 |
| Single Super Phosphate | 4.71 | 10.93 |

Source mfms.nic.in as on 08.07.2019

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

(Fig. in 'LMT')

| Product Name | Assessed Requirement | Availability(Est.) | Sales (Est.) |
|--------------|----------------------|--------------------|--------------|
| Urea | 27.98 | 36.78 | 27.5 |
| DAP | 9.99 | 26.17 | 9.69 |
| MOP | 3.92 | 6.64 | 2.60 |
| Complex | 9.71 | 25.76 | 8.61 |

Source of data is IFMS

3. Details of Imported Finished Fertilizers during the month:

| Product Name | Quantity in 'LMT' |
|-------------------------|-------------------|
| Urea | 6.89 |
| MOP for Agriculture use | 4.33 |
| DAP | 6.26 |
| NPK | 0.77 |

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

(a). Revival of Ramagundam Unit:-

- Ramagundam unit of FCIL is being revived on nomination basis by consortium of PSUs namely Engineers India Limited (EIL), National Fertilizers Limited (NFL) and FCIL by setting up a gas based fertilizer plant of 1.27 MMTPA Capacity. As on 30th June, 2019, 97.4% of physical progress of the project has been made. The project is likely to be commissioned in FY 2019-20.

- The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last such review meeting was held on 02.07.2019. The major progress completed was that the Water pipeline from river Godavari to Plant battery limit of RFCL has been completed and successfully commissioned on 15th June 2019. Recycled Water Treatment Plant (Stream A, B & D) commissioned & Flushing of ultra-filtration skids is in progress. DM water Plant expected to be commissioned in phased manner by 15.07.19.

- Regarding water block, WIPRO has committed to complete STP by Aug, 19, CPU & ETP by July, 19 & Aug,19 respectively, for prilling tower, Simplex committed to complete by Sept, 19. Regarding utility boiler & associated works, BHEL committed to complete it by 20.07.2019.

- With regard to gas connectivity, GITL informed that hydro-testing of 150KM pipeline has been completed and for remaining section, it will be completed by end of July, 2019 end Subsequently, drying & pigging activities would take about 10 days. Gas would be available at RFCL plant by 1st week of August 2019.

- DoF vide D.O. letters dated 28.06.2019 has taken up the matter with Chief Secretary, Gujarat to take all urgent action in order to achieve commissioning of gas pipeline by 1st week of July, 2019. Also, vide DO letter dated 27.06.2019 & 02.07.2019, CMD, BHEL & Secretary, Department of Heavy Industries respectively were requested to take urgent corrective action for immediate completion of Utility Boiler. To a request of DoF to PNGRB regarding clarifications to declare the gas pipeline connectivity of 29.5 KM (from IPS-3 to Ramagundam) as a dedicated pipeline, PNGRB vide Do letter dated 21.06.2019 has stated that the pipeline of 29 KM length will be treated as a part of common carrier. Vide OM dated 04.07.2019, MoPNG has been requested to direct M/s. Pipeline Infrastructure Ltd to provide operating pressure data of EWPL at Kunchanapalle for last 6 months and operating pressure trends expected in future.

- Concerns with State Govt. of Telangana (SGoT) :-
 - i. Disposal of Storm Water– For laying of disposal of storm water, based on route survey conducted it was observed that ROU for the land lies with Singareni Collieries (SCCL).

- The matter was accordingly pursued with management of SCCL & SGoT and it was assured that ROU shall be given to RFCL for start of work.
- ii. Fire NOC for RFCL Complex – It was informed that application for Fire NOC along with all documents and statutory charges has been submitted by RFCL and same is required before commencement of commissioning activities. It was informed that same shall be released in time.
 - iii. Equity Contribution - Contribution from Government of Telangana for Rs 14.25 crore is awaited. During the meeting held with PS (Industry) SGoT on 28.06.19, it was informed release of equity shall be ensured at the earliest.
 - iv. Security personnel for RFCL plant – In view of non-availability of CISF security personnel, RFCL has approached SGoT to provide security of the plant. The matter was discussed with PS (Industry) SGoT on 28.06.19. It was informed that terms and conditions of engaging security may be submitted to SGoT for further necessary action in the matter.
- Power, Water & gas are the major utilities which need to be made available minimum 9, 8 & 6 months respectively before commissioning of the plant. Power and water have already been received. In the review meeting held under the chairmanship of Secretary (Fertilizers) on 02.07.2019, GITL has committed to supply gas by 1st week of August 2019. It is critical that the completion of water treatment units (WIPRO), GTG and HRSG (by BHEL) are synchronised with receipt of gas. It is clear that completion of the plant after receipt of gas will take minimum six months and Utility Boiler (UB) readiness is required at least 2 weeks prior to receipt of gas.

(b). **Revival of Talcher Unit:**

- Talcher unit is being revived through 'Nomination Basis' by forming a JV of nominated PSUs. JV company has been named as Talcher Fertilizers Ltd. (TFL). Equity of GAIL, RCF & CIL in TFL is 29.67% each & FCIL's 10.99%. New Ammonia Urea plant of 1.27 MMTPA capacity based on Coal Gasification Technology is being set up. TFL is in process of awarding the LSTK contract for Coal Gasification and Ammonia Urea Unit. The evaluation of LSTK Bids for Coal Gasification was completed on 15th May, 2019. As, price bid of L1 for Coal gasification is about 38% higher than the estimated cost. Four rounds of negotiations with the bidder to reduce the quoted price were done. However, no discount was offered by the bidder. Therefore, as NITI Aayog's direction on 21.05.2019, fresh negotiation by a Negotiation Committee was done on 20.06.2019 wherein details of specific component cost was done, but still the bidder did not agree to lower the quoted price. In the event of deadlock, therefore TFL may re-float the Coal Gasification tender.

- The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last review meeting was held on 02.07.2019

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

- Gorakhpur, Sindri and Barauni units are being revived through a joint Venture company by name Hindustan Urvarak & Rasayan Limited (HURL) of Public Sector Undertakings, namely, National Thermal Power Corporation, Coal India Limited, Indian Oil Corporation Limited and Fertilizer Corporation of India Limited / Hindustan Fertilizer Corporation Limited by setting up gas based fertilizer plants of 1.27 MMTPA capacity each. Status of these projects is as under:-
 - As on 25.06.2019 the overall LSTK works progress at Gorakhpur, Barauni and Sindri Projects of HURL are 59.9 %, 37.8 % and 36.7 % respectively, which are largely as per schedule.
 - All major Long Lead Items have been ordered for all three Projects.
 - The progress reports of Non LSTK packages and EPCM non packages for all three projects are under preparation by PDIL-PMC. Action plan for award of balance Non LSTK packages and post award works of critical Non LSTK packages has been finalized and being monitored on regular basis.
- In pursuance of CCEA decision to grant IFL to HURL, Department of Fertilizers prepared a draft Loan Agreement, as per rule 253(2) (i) GFR, 2017, which is to be executed between Department of Fertilizers and HURL. Comments of D/o Economic Affairs on the same are awaited. In the meanwhile, HURL has been requested to submit independent security to DoF for disbursement of IFL to HURL. HURL has informed that their entire assets security is placed with Banks in lieu of Loan to HURL. However, Banks have agreed to cede pari passu charge in favour of DoF in lieu of IFL to HURL. The same position of HURL is being informed to DoEA.
- These Projects are likely to start production by 2021. The project activities are being monitored closely by Department of Fertilizers through monthly review meetings being held under the chairmanship of Secretary (Fertilizers). The last review meeting was held on 02.07.2019.

5. Expenditure position:

As against an available budget of Rs. 78476.00 Crore for F.Y. 2019-20, expenditure on administration of fertilizer subsidy during June 2019 was Rs. 5542.85 Crore (P&K : Rs. 1863.65 Crore,

Urea: 3677.34 Crore, City Compost : 1.37 Crore & Exp. On DBT professional 0.49 Crore). Progressive expenditure upto 28th June 2019 was 29200.57 Creore (P&K : 9598.18 Crore, Urea : 19593.34, City Compost : 8.00 Crore and Exp. On DBT professional 1.05 Crore) i.e. 37.21 % of the total allocation.

6. Submission of Cabinet Note:

(i). **FACT Land sale to Government of Kerala:** As per directions of PMO given in the meeting held on 10.08.2018, the proposal for sale of FACT land to Government of Kerala was delinked from the restructuring proposal. Advance copies of the Cabinet Note were forwarded to Cabinet Secretariat & PMO on 07.01.2019. However, after formation of new Government, advance copies of the same have been resubmitted to Cabinet Secretariat & PMO on 14.06.2019 for directions/ comments, if any.

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