

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

Shastri Bhawan, New Delhi
Dated : 19th June, 2019

OFFICE MEMORANDUM

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

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

This issues with the approval of competent authority.



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

To,

1. All members of Council of Ministers

Copy to :

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

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

1. Overall production performance during the month :

(Fig. in 'LMT')

Product Name	Production during the month	Cumulative production upto the month
Urea	19.49	36.00
DAP	4.04	8.22
Ammonium Sulphate (A/S)	0.35	0.67
Complex Fertilizers	6.56	11.76
Single Super Phosphate	3.66	6.22

Source mfms.nic.in as on 6.6.2019

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

(Fig. in 'LMT')

Product Name	Assessed Requirement	Availability(Est.)	Sales (Est.)
Urea	23.00	32.24	21.39
DAP	8.02	23.41	7.66
MOP	2.81	6.22	2.24
Complex	6.50	23.12	5.78

Source of data is iFMS

3. Details of Imported Finished Fertilizers during the month:

Product Name	Quantity in 'LMT'
Urea	5.18
MOP for Agriculture use	3.65
DAP	7.13
NPK	1.41

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 31st May, 2019, 96.9% 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 28.05.2019. The major progress completed was that the power connectivity has been achieved. Hydro testing of complete Water pipeline is expected to be completed by 15th, June, 19 and water at RFCL Battery limit is expected by 16th, June, 19. The equity of Rs. 33.68 Crores has been received from SGoT on 07.05.2019.

- Regarding water block, WIPRO has committed to complete STP by 3rd week of Jun, 19, CPU & ETP by July, 19, for prilling tower, Simplex committed to complete by Aug, 19, utility boiler, BHEL committed to complete by June end, 19, gas connectivity, GITL committed to complete gas pipeline by June end, 19 and gas will be made available at RFCL battery limit by mid-July, 2019.
- DoF vide D.O. letters dated 23.05.2019 has taken up the matter with the heads WIPRO and Simplex to expedite completion of the respective components. Secretary (Fertilizers) during the review meeting held on 28.05.2019 also directed representative of BHEL, WIPRO, Simplex and GITL to expedite the execution of the respective components.
- The matter regarding disposal of storm water & treated effluent has also been discussed in the meeting. Considering the practical difficulty in widening & cleaning of the existing drains, Ramagundam Municipal Corporation (RMC) has advised RFCL to follow a different route for laying a new pipeline for treated effluent. Accordingly, an alternative route, which was followed for raw water supply from Godavari to old plant has been identified in consultation with RMC. RFCL has already initiated the engineering & other survey works of the area and shall approach RMC wherever, their help is required.
- 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 has already been received & water is expected by 1st week of June, 2019. In the review meeting held under the chairmanship of Secretary (Fertilizers) on 28.05.2019, GITL has committed to supply gas by mid-July, 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. Therefore, gas is required latest by 1st week of July, 2019 for commissioning of plant by December, 2019.

(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. The total progress (cumulative actual) (pre-project overall) of TFL is 37.86% as on 31.05.2019. 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. Price bid of L1 for Coal gasification is about 38% higher than the estimated cost. Four rounds of negotiations have been completed. No discount offered by the bidder. During the review on 21.05.2019, NITI Aayog has directed for fresh negotiations by a Committee of expert members. Revised DFR incorporating inputs from LSTK tenders is expected by mid of June, 2019. Thereafter, TFL Board will consider the DFR and take a decision on award of LSTK contracts.

In the meantime, following jobs have commenced and as on 31.05.2019, their progress is as follows:

- i. Site Development works – 48.50%
- ii. Construction water – 39.65%

- iii. Construction power – 78.12%
 - iv. Renovation of Admin. Building & Vikrampur Guest House – 1.60%
- The level recording completed for major LSTK works and ground leveling job for coal gasification area is near completion. With respect to major offsite tenders like raw water and fire water reservoir, DM water, raw water system, plant/instrument air system, PDIL informed that all tenders are under preparation and final tender shall be provided to TFL.
 - 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. 28.05.2019

(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 25.05.2019 the overall LSTK works progress at Gorakhpur, Barauni and Sindri Projects of HURL are 56.4 %, 33.4 % and 33.2 % respectively, which are largely as per schedule.
- All major Long Lead Items have been ordered for all three Projects. Prilling Tower at Gorakhpur, Barauni and Sindri have been constructed up to 107.4 metre, 52.1 metre and 25.3 metre respectively.
- 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. A copy of same has been sent to Department of Economic Affairs for their concurrence / vetting.
- 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 28.05.2019.

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 May 2019 was Rs. 6582.57 Crore (P&K : Rs. 2329.32 Crore, Urea: 4246.35 Crore, City Compost : 6.63 Crore & Exp. On DBT professional 0.27 Crore). Progressive expenditure upto 31st May 2019 was 23657.72 Creore (P&K : 7734.53 Crore, Urea : 15916.00, City Compost : 6.63 Crore and Exp. On DBT professional 0.56 Crore) i.e. 30.15 % 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 has been delinked from the restructuring proposal. Advance copies of the Cabinet Note were forwarded to Cabinet Secretariat & PMO for further directions/ comments, if any.
- ii. **MFL Restructuring:** As per directions of PMO given in the meeting held on 10.08.2018, the proposal for sale of land to CPCL is under examination. NOC from Government of Tamilnadu has been received. MFL has furnished the consolidate proposal in this regard along with final circle rate of the land. The matter was taken up with Ministry of Petroleum & Natural Gas for their concurrence to the proposal for sale of 70 acres of land of MFL to CPCL. MoP&NG has informed on 30.04.2019 that CPCL will take action for purchase of 4.98 acres of land first. For balance 65 acres of land, CPCL will approach MFL after carrying out a detailed study on utilization plan and firming up a commercially viable plan.
- iii. **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 and has been taken up separately as per Cabinet Secretariat's directions in consultation with Department of Expenditure.
