

# ANNUAL REPORT 2018-19



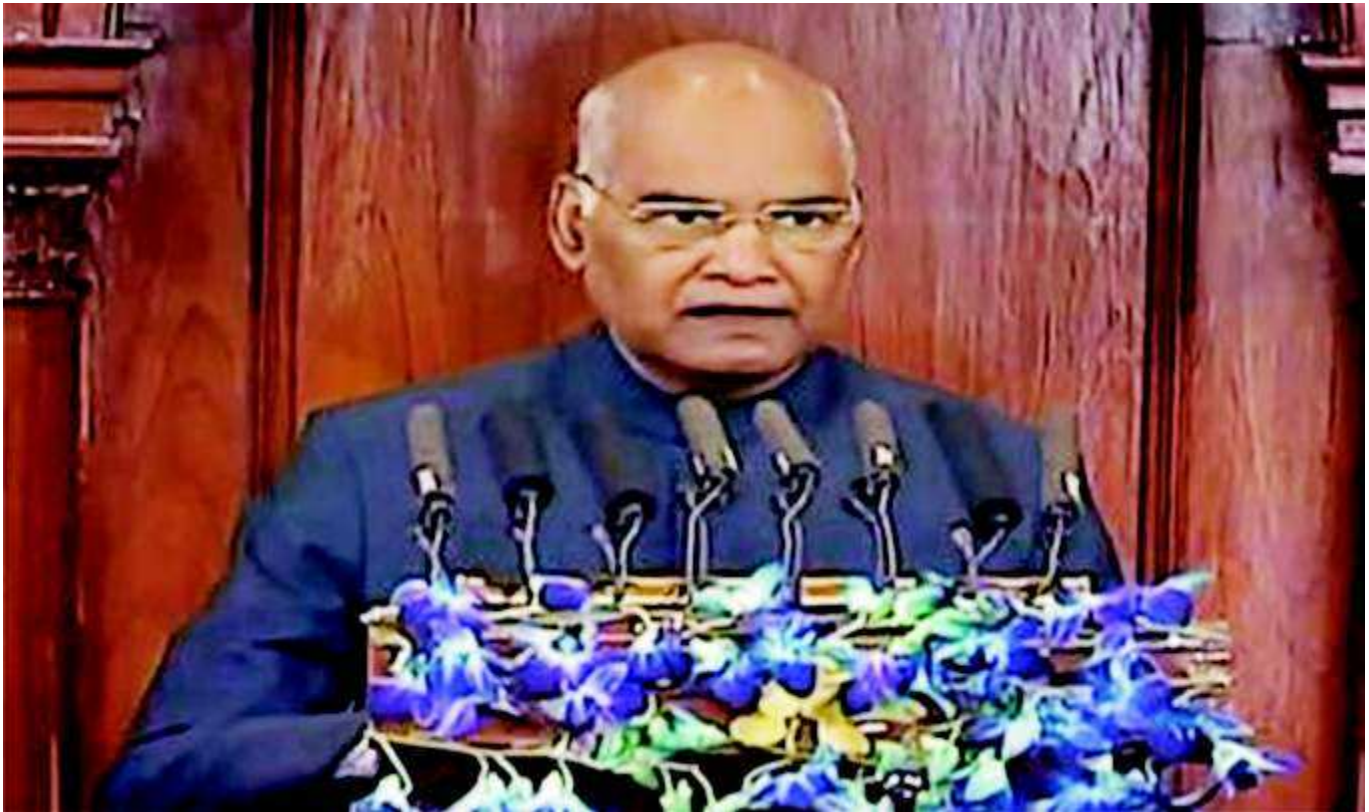
**Department of Fertilizers**  
Ministry of Chemicals & Fertilizers  
Government of India

# **ANNUAL REPORT**

## **2018-19**

**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 2019  
relating to Fertilizer Sector**

"100 percent Neem coating of urea has been done to facilitate its availability and to prevent its misuse. The work of reconstruction of fertilizers plants at Gorakhpur in Uttar Pradesh, Barauni in Bihar and Sindri in Jharkhand, which were closed for several years, is progressing rapidly."



# CONTENTS

S. No.	Subject	Page No.
1.	Introduction	1
2.	Organisational Setup and Functions	3
3.	Development and Growth of Fertilizer Industry	9
4.	Availability and Movement of Major Fertilizers during 2016-17	13
5.	Plan Performance	17
6.	Measures of Support for the Fertilizer Sector	19
7.	Public Sector Undertakings	41
8.	Integrated Nutrient Management	127
9.	Fertilizer Monitoring System	131
10.	Right to Information Act , 2005	137
11.	Vigilance Activities	139
12.	Progressive Use of Official Language	141
13.	Welfare of SCs, STs, OBCs and Physically Handicapped Persons	147
14.	Sevottam	149
15.	Audit Report	155
16.	Annexure I-XXIX	159



# CHAPTER- I

## INTRODUCTION

**1.1.1** Agriculture contributes 17.4% to the country's Gross Value Added for the year 2016-17 (at current prices). 54.6% of the population is engaged in agriculture and allied activities (census 2011). Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five-year plans have laid emphasis on self-sufficiency and self-reliance in food grain production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million tonnes in 1951-52, food grain production increased to 279.51 million tonnes in 2017-18. While the target for 2018-19 has been kept at 290.25 million tonnes, the domestic requirement of food grains and also generating exportable surpluses, the significant role played by chemical fertilizers is well recognised.

**1.1.2** As of now, the country has achieved 76% 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, 56.5% indigenous capacity has been developed in respect of phosphatic fertilizers to meet domestic requirements. However, the raw-materials and intermediates for the same are largely imported. For potash (K), since there are no viable sources/reserves in the country, its entire requirement is met through imports.

### **Growth of fertilizer industry**

**1.2.1** The actual production of all the Fertilizers during the year 2017-18 was 413.59 LMT. The estimated Production of all the Fertilizers during the year 2018-19 is expected to be 453.71MT showing an increase of more than 9.7% in comparison of the previous year. The rapid build-up of fertilizer production in the country has been achieved as a result of a favourable policy environment facilitating investments in the public, co-operative and private sectors.

**1.2.2** At present, there are 32 large size urea plants in the country manufacturing urea, 21 units producing DAP & complex



fertilizers, 2 units manufacturing Ammonium Sulphate as a by-product and 110 units are manufacturing SSP.

**1.2.3** The unit-wise details of Installed/ Reassessed Capacity and production during the year 2017-18 & estimated production during the year 2018-19 are given in **Annexure-I**.

**1.2.4** The Product-wise & Sector-wise details of Installed / Reassessed

Capacity and production during the year 2017-18 & estimated production during the year 2018-19 are given in **Annexure-II**.

**1.2.5** Production of Urea, DAP & Complex fertilizers during 2001-02 to 2018-19 (upto November, 2018) are at **Annexure-III**.

**1.2.6** Unit-wise production of Urea during 2013-14 to 2018-19(upto November, 2018) 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. Fertilizers Projects and Planning (Urea Policy Division).
2. Phosphatic & Potassic Fertilizers (P&K Division) and Joint Ventures abroad (IC Division).
3. Fertilizer Imports, Movement and Distribution (Movement Division).
4. PSU Division (dealing with PSUs) & Board Level appointments.
5. Fertilizer Industry Coordination Committee (FICC), an attached office.

6. Fertilizers Subsidy (FS Wing) dealing with payment of subsidy.
7. General administration, Establishment, Parliament, Coordination, Information Technology, RTI matters & Vigilance
8. 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)
11. City Compost

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

coal and other inputs i.e. Naphtha, Natural Gas, and FO/LSHS/LNG.

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

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

**2.1.6 Movement Wing** deals with season wise assessment of subsidized fertilizers (urea, DAP, MOP and NPK) in consultation with DAC and to ensure adequate and timely availability of fertilizers to the farmers in all parts of the country, prepares agreed supply plan in

consultation with Manufactures/ Importers to fulfil the monthly requirement in the country. The movement of all major subsidized fertilizers is monitored through an online web based monitoring system i.e. integrated Fertilizers Monitoring System (iFMS).

**2.1.7 PSU Wing** deals with matters relating to financial performance, annual accounts, MoUs, Budgetary support (non-plan) to corporate affairs, revival/ rehabilitation of sick PSUs, issues relating to BIFR, formation of new PSUs and all matter incidental thereto in respect of nine fertilizers PSUs i.e. RCF/NFL/ MFL/ FACT/BVFCL/FAGMIL/PDIL/FCIL/ HFCL, matters relating to two Multistate Cooperative Societies i.e. IFFCO/ KRIBHCO, the work relating to disinvestment of companies, all establishment matters related to PSUs including Board level appointments, Nomination of Part-time official and Non-official Directors in fertilizers PSUs.

**2.1.8 FICC** is an attached office under the Department of Fertilize headed by an Executive Director. FICC is responsible to evolve and review periodically, the group concession rates including freight rates for units manufacturing nitrogenous fertilizers, maintain accounts and make payment to/ and recover amounts from fertilizers companies, undertake costing

and other technical functions, collect and analyse producing data, costs and other information etc.

**2.1.9 FS Wing** deals with payment of cost of imported urea of OMIFCO/Canalizing agencies, recovery of Pool issue price of urea from Handling Agencies, Ocean freight payments to vessel owners, subsidy disbursement in respect of indigenous & Imported P & K fertilizers, SSP and City Compost including freight subsidy, Administrations of FMS and iFMS, reimbursement of freight, insurance charges, custom duty, handling charges etc.

**2.1.10 General Administration Wing** consists of Administration, Establishment, Information Technology (IT), RTI and Cash. Administration deals with supply of day to day articles needed for smooth running of office, housekeeping services, maintenance of office equipment including air conditioners, photocopiers etc., printing of annual report, outcome budget, DDG etc., hospitality services. Establishment (HR-II) deals with all service related matters of officers/officials of Department of Fertilizers. **Parliament Section** work related to the Meetings of consultative committee, Standing committee, Parliamentary assurances etc and also centralized handling of parliament questions like marking of questions, handling of question once questions gets approved by

Joint Secretary/ Secretary, taking approval of Minister and submission of necessary copies to Lok Sabha / Rajya Sabha/ PIB etc. **IT section** deals with procurement of computers/ software and its peripherals, printers, e-office related work, and DEO related matters, payment for iFMS etc. and also all matters related to **RTI.Cash section** deals with salary and other advances and processing of various bills for payment in coordination with Pay and Account Office of this department. Calculation of annual income tax of officials, maintaining various financial books/ records etc.

**2.1.11 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 personal representations, eSamiksha, Pragati, Citizen Charter, Channel of Submission and final disposal of cases, Cabinet notes received from other Ministries/ Departments, RTI matters, preparation of Annual Report etc.

**2.1.12 M&E wing** deals the work relates to Techno Economic Clearance for renovation/modernization scheme and the project covered under Project Imports in the fertilizer sector for availing concessional custom duty on imported goods; Review of monthly and quarterly

performance of Public Sector Undertakings through holding of Quarterly Review Meetings; all matters relating to Bio-fertilizers, balanced fertilizers, soil health cards, nutrient absorption issues, micro-nutrients etc., organic fertilizers based on Urban solid waste including City Compost; Publication of Yearbook, Fertilizers Statistics of India (Indian Fertilizer Scenario); Clean technology and general environmental issues; Monitoring of International prices of fertilizers and fertilizer inputs; Replying to Parliament questions/RTI/VIP references; furnishing various information to DAC& FW and other Ministries for inclusion in their Publications etc.

**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 provide production data on major fertilizers for various publications including Annual Report of DoF, Economic Survey etc. Further briefs/ analytical notes are provided for formulation of policy etc.

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

Annual property return, etc. and issues Vigilance Clearance in respect of the employees of DOF and Board Level Officers of the PSUs.

**2.1.16 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 a 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 Additional Secretary, Joint Secretaries and 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 01-12-2018 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 2017-18 was 240.23 LMT and the production of DAP & Complex fertilizers were 129.04 LMT. The estimated production of Urea during 2018-19 would be 240.71 LMT, which is slightly more than to previous year and the estimated

production target of DAP & Complex fertilizers would be 136.05 LMT, representing a growth rate of approximately 5.43 % in comparison of previous year.

The sector-wise production of Urea, DAP and Complex fertilizers during 2017-18 and estimated production during 2018-19 are given in the table below:-

(Fig. in : LMT)

S. No	Sector	2017-18			2018-19 (Estimated)		
		Urea	DAP	Complex fertilizers	Urea	DAP	Complex fertilizers
1.	Public Sector	69.88	-	11.72	69.71	-	13.10
2.	Cooperative Sector	63.64	17.87	23.50	64.00	19.84	20.62
3.	Private Sector	106.72	25.78	44.44	108.80	30.52	56.66
<b>Total</b>		<b>240.23</b>	<b>43.65</b>	<b>79.66</b>	<b>242.51</b>	<b>50.36</b>	<b>90.38</b>

#### 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 2017-18, no joint venture with any country was signed by this Department but during the said year a number of major developments took place with the following Countries:-

#### 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 draft Framework

Agreement which has considerable changes as compared to the MOU shared by Indian side. Subsequently, comments from MEA, DIPP and consortium members were sought. The comments received have been incorporated in the draft Framework Agreement and the same has been shared with MEA for further sharing with Algerian side.

#### 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 6<sup>th</sup> till 9<sup>th</sup> 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) 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. Further, a meeting under chairpersonship of Secretary (F) had been held on 03.05.2017, after it has been decided that:

- (a) PDIL would provide global scenario of demand & supply of Urea and also finalize long term offtake agreement.
  - (b) RCF & GSFC would explore possibilities of engaging ICICI or ILFS for loan syndication.
  - (c) Advice of MEA has been sought on whether to go for JV or not.
- (iii) GABON: An invitation letter was received from Govt of Gabon inviting Govt of India to establish a Urea-Ammonia Joint Venture Company in the Gabon Fertilizer Project. Rashtriya Chemicals and Fertilizers, a Public Sector has recently done a due diligence of the project.

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



## CHAPTER- 4

# AVAILABILITY AND MOVEMENT OF MAJOR FERTILIZERS DURING 2018 (upto Nov. 2018)

- 4.1 The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. The projected requirement is communicated to DoF. Every month Movement Division prepares agreed supply plan in consultation with manufacturers and importers to meet the demand of fertilizers projected by DAC&FW. State-wise availability of fertilizers as per supply plan is made and monitored upto State level by the Department of Fertilizers, the concerned State Governments are responsible for monitoring the availability intra-state.
- 4.2 **Urea**
- 4.2.1 The availability of urea remained satisfactory throughout the seasons of Kharif 2018 and Rabi 2018-19 (upto Nov.'18).
- 4.2.2 **Kharif 2018:** The assessed requirement of Urea for Kharif 2018 was 148.90LMT (without reserve allocation). The season started with an opening stock of 10.03 LMT (as on 01.04.2018) 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 156.12 LMT. The First Point sales were 151.47 LMT during Kharif 2018.
- 4.2.3 **Rabi 2018-19 (upto Nov.'18):** The assessed requirement of Urea for Rabi 2018-19(upto Nov.'18) was 61.21 LMT and for the complete season of Rabi 2018-19 is 155.83 LMT( without reserve allocation). The season started with an opening stock of 4.68 LMT (as on 01.10.2018) 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 52.01 LMT.

The sales were 46.68 LMT during Rabi 2018-19 (upto Nov.'18).

### 4.3 DAP

4.3.1 The availability of DAP remained satisfactory throughout the seasons of Kharif 2018 and Rabi 2018-19 (upto Nov.'18).

4.3.2 **Kharif 2018:** The assessed requirement of DAP for Kharif 2018 was 49.18 LMT. The season started with an opening stock of 1.92 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 54.98 LMT. The sales were 49.17 LMT during Kharif 2018.

4.3.3 **Rabi 2018-19 (upto Nov.'18):** The assessed requirement of DAP for Rabi 2018-19(upto Nov.'18) was 28.18 LMT and for the complete season of Rabi 2018-19 is 50.46 LMT. The season started with an opening stock of 5.80 LMT (as on 01.10.2018) 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 28.50 LMT. The First Point sales were only 22.35 LMT during Rabi 2018-19 (upto Nov.'18).

### 4.4 NPK

4.4.1 The availability of NPK remained

satisfactory throughout the seasons of Kharif 2018 and Rabi 2018-19(upto Nov.'18).

4.4.2 **Kharif 2018:** The assessed requirement of NPK for Kharif 2018 was 49.73 LMT. The season started with an opening stock of 7.27 LMT (as on 01.04.2018) 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 57.37 LMT with the States. The sales were 50.74 LMT during Kharif 2018.

4.4.3 **Rabi 2018-19(upto Nov.'18):** The assessed requirement of NPK for Rabi 2018-19 (upto Nov.'18) was 19.73 LMT and for the complete season of Rabi 2018-19 is 52.19 LMT. The season started with an opening stock of 6.70 LMT (as on 01.10.2018) 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 25.41 LMT. The First Point sales were only 15.74 LMT during Rabi 2018-19 (upto Nov.'18).

### 4.5 MOP

4.5.1 The availability of MOP remained satisfactory throughout the seasons of Kharif 2018 and Rabi 2018-19 (upto Nov.'18).

**4.5.2 Kharif 2018:** The assessed requirement of MOP for Kharif 2018 was 20.25 LMT. The season started with an opening stock of 0.88 LMT (as on 01.04.2018) 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 was 17.17 LMT with the States. The First Point sales were only 16.70 LMT during Kharif 2018.

**4.5.3 Rabi 2018-19 (upto Nov.'18):** The assessed requirement of MOP for Rabi 2018-19 (upto Nov.'18) was 7.49 LMT and for the complete season of Rabi 2018-19 is 17.28 LMT. The season started with an opening stock of 0.45 LMT (as on 01.10.2018) 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 6.44 LMT. The First Point sales were only 4.56 LMT during Rabi 2018-19 (upto Nov'18).



## CHAPTER- 5

# FINANCIAL PERFORMANCE

### 5.1 Budget of Department

The Department of Fertilizers deals with disbursement of subsidy on Urea and Phosphatic and Potassic (P&K) complex fertilizers under Urea Subsidy Scheme and Nutrient Based Subsidy Policy, respectively. Apart from the Secretariat budget, the budget allocations for 2018-19 vis-à-vis 2017-18 in respect of Urea Subsidy Scheme and Nutrient Based Subsidy Policy are as under:-

(Rs. in Crore)

Scheme	Budget Estimates for 2017-18	Budget Estimate for 2018-19
<b>Secretariat Expenditure</b>	<b>32.66</b>	<b>34.99</b>
<b>NBS Policy</b>		
Indigenous P&K	12317.00	15820.35
Imported P&K	7900.00	9260.00
City Compost	15.00	10.00
<b>Total Allocation for NBS Policy</b>	<b>20232.00</b>	<b>25090.35</b>
<b>Urea Subsidy</b>		
Indigenous Urea	40,000.00	34989.50
Imported Urea	14,000.00	13360.00

Direct Benefit Transfer Subsidy		
Office Expenses		1.00
Professional Services		9.50
<b>Total Allocation for Urea Subsidy</b>	<b>54,000.00</b>	<b>48,360.00</b>
<b>Total Subsidy Allocation (Gross)</b>	<b>74,232.00</b>	<b>73450.35</b>
Recovery received from sale of Imported Urea	4232.00	3360.00
<b>Total Subsidy Allocation (Net)</b>	<b>70,000.00</b>	<b>70,090.35</b>

### 5.2 Internal & Extra Budgetary Resources (IEBR)

The Internal & Extra Budgetary Resources (IEBR) generated by five companies profit making fertilizer CPSEs for 2017-18 and 2018-19 i.e. Rashtriya Chemicals & Fertilizers Limited (RCF), FCI Aravali Gypsum & Minerals India Limited (FAGMIL), Projects & Development India Limited (PDIL), National Fertilizers Limited (NFL) and Brahmaputra Valley Fertilizer Corporation Limited are as under:-



(Rs. in crores)

Sl No.	Name of CPSE	Actuals 2017-18	BE 2018-19	RE 2018-19
1	RCF	533.70	797.57	623.77
2	NFL	226.35	645.92	447.98
3	FAGMIL	0.49	56.18	8.35
4	BVFCL	13.83	38.60	0.00
5	PDIL	1.61	5.48	9.16

## CHAPTER- 6

# MEASURES OF SUPPORT FOR THE FERTILIZER SECTOR

- 6.1** At present, there are 31 urea units in the country out of which 28 urea units use Natural Gas (using domestic gas/LNG/CBM) and remaining three urea units use Naphtha as feedstock. The details of feed stock used and re-assessed capacity are placed at **Annexure – VIII**.
- 6.2** **New Urea Policy (Applicable for 25 gas based urea units)**
- 6.2.1** The Government of India has notified the New Urea Policy (NUP) - 2015 on 25<sup>th</sup> 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. The government 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** As per NUP – 2015, the preset energy norms for the 25 gas based urea units fixed during earlier policies have been mopped up and they are eligible to get the concession rate on the basis of revised energy norms fixed for each group from 1st June, 2015 to 31<sup>st</sup> March, 2018 which is 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.
- 6.2.3** The urea units were given target energy consumption norms to be achieved in the year 2018-19. For Group-I, target energy norms for the year 2018-19 is 5.5 G Cal/MT (except Tata Chemicals Limited-Babrula for which existing pre-set energy consumption norm of NPS-III i.e. 5.417 G Cal/MT will continue). For Group-II and Group-III, the target energy consumption norms for the year 2018-19 have been 6.2 G Cal/MT and 6.5 G Cal/MT respectively.
- 6.2.4** The compensation for other variable cost

e.g. the cost of bag, water charges & electricity charges and fixed cost are determined in accordance with existing provisions of NPS-III (notified on 8<sup>th</sup> March, 2007 ) and Modified NPS-III (2<sup>nd</sup> April, 2014).

**6.2.5** For production upto 100% re-assessed capacity (RAC), the 25 gas based urea units are entitled to get total cost of production of urea, which includes fixed cost and variable cost.

**6.2.6** For production beyond RAC, the units are entitled for their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed costs of all the indigenous urea units subject to import parity price plus weighted average of other incidental charges which the government incurs on the imported urea. However, vide notification dated 7<sup>th</sup> April, 2017, a further amendment was incorporated for production of urea beyond RAC during 2016-17 such that units were entitled beyond their respective variable cost and a uniform per MT incentive equal to the lowest of the per MT fixed cost of all indigenous urea units subject to sum of import parity price, other incidental charges which the Government incurs on the import of urea and weighted average of Central Government levies of urea paid by the urea manufacturing

units. Vide said amendment, it has been decided that in event of any fluctuation in Import Parity Price that would have adverse impact on the production beyond RAC by urea units, Department of Fertilizers is authorized to take appropriate decision in consultation with Department of Expenditure. The copy of said amendment is placed at **Annexure – XI**.

**6.2.7** 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 will be installed, which will be dealt separately under their restructuring proposal. Till then, these two units are functioning under the provisions of Modified NPS-III.

### **6.3 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 20<sup>th</sup> May, 2015 (read with 29<sup>th</sup> 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 Policy (NUP) – 2015, which was notified on 25<sup>th</sup> 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 For Naphtha based urea units

6.4.1 The three Naphtha based urea units viz., Madras Fertilizers Limited- Manali (CPSU), Southern Petrochemicals Industries Corporation (SPIC) - Tuticorin and Mangalore Chemicals & Fertilizers Limited (MCFL) are governed by Policy Notification dated 17<sup>th</sup> June, 2015 (**Annexure- XII**), which allows these units to operate urea production using Naphtha as feedstock till gas availability and connectivity to these three units either by

gas pipeline or by any other means The Naphtha based urea units are entitled to get subsidy as per the following conditions:

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

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

## 6.5 Revision of Energy Norms under NUP – 2015 (Annexure-XIII)

6.5.1 Vide notification dated 28<sup>th</sup> March, 2018, Department of Fertilizers has approved the following decisions with regard to Target Energy Norms given to all urea manufacturing units (except BVFCL):

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

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

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

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

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

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

(iv) The three Naphtha based urea units viz., MFL, MCFL, SPIC are also allowed the existing energy norms under Para (2) of policy notification dated 17<sup>th</sup> June, 2015 for another two years i.e. till 31<sup>st</sup> March, 2020 or till these units get the gas pipeline

connectivity, whichever is earlier. There will be no mopping up of energy efficiency for a fix period of 5 years from date of gas pipeline connectivity as per Para 3 (viii) and 5 (ii) of NPS-III policy dated 8<sup>th</sup> March, 2007

## 6.6 New Investment Policy-2012

**6.6.1** The Government had announced New Investment Policy – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> 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-XIV** and **Annexure- XV**.

**6.6.2** Under the provisions of NIP – 2012 and its amendment, Matix Fertilisers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal. The commercial production of Matix started on 1<sup>st</sup> 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 under trail production at present.

## 6.7 MRP of Urea

**6.7.1** The MRP of urea is statutorily fixed by the Government of India and at present it is Rs.

268 for a 50 Kg bag of urea/ Rs. 242 for a 45 kg bag of urea. However, in the state of Uttar Pradesh prices due to levy of Additional VAT on natural gas by Government of Uttar Pradesh, the MRP is Rs. 298 for a 50 Kg bag of Urea and Rs. 269 for a 45 kg bag of Urea. The aforementioned rates are exclusive of the central excise duty, Central Tax, Integrated Tax, Union Territory Tax or Countervailing Duty, state tax and other local taxes wherever levied, whether at the retail sales point or at an intermediate stages and other charges towards neem coating. However, UP Government has withdrawn the additional VAT from Natural gas w.e.f. 14.11.2018. The details of Maximum Retail Price (MRP) of urea from 1991-92 onwards is placed at **Annexure-XVI**.

## 6.8 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.

## 6.9 **Policy for encouraging production and availability of fortified and coated fertilizers in the country**

**6.9.1** The Government on 2<sup>nd</sup> 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 11<sup>th</sup> January, 2011.

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

**6.9.3** Subsequently, vide Notification dated 24<sup>th</sup> March, 2015 (placed at **Annexure – XVIII**), it was made mandatory for all the indigenous producers of urea to produce 75% of their total production of subsidized urea as Neem Coated Urea and made effective from 1<sup>st</sup> April, 2015. Finally, based on the CCEA approval, Department of Fertilizers issued

notification dated 25<sup>th</sup> May, 2015 (placed at **Annexure – XIX**) whereby it has been made mandatory for all the domestic producers of urea to produce 100% as Neem Coated Urea with an extra MRP of 5% (of Rs. 5360/- per MT) to be charged by the fertilizer manufacturing entities from farmers. Entire quantity of indigenously produced urea and imported urea is being neem coated w.e.f 1<sup>st</sup> September, 2015 and 1<sup>st</sup> December, 2015 respectively.

#### **6.9.4 Introduction of 45 Kg bag**

Vide notification dated 4<sup>th</sup> September, 2017 (**Annexure – XX**), Government of India has decided to introduce 45 kg bag of urea in place of existing 50 kg bag. A period of six months was given to urea units as lead time to ensure smooth implementation of the policy. Department of Agriculture Cooperation and Farmers Welfare vide gazette notification dated 1st March, 2018 (**Annexure – XXI**) notified the MRP of urea i.e. Rs.242 per 45 Kg Bag (exclusive of Central/State levies and other charges). Vide notification dated 9<sup>th</sup> March, 2018, Department of Fertilizers had given a period of two months from the date of notification of MRP to Urea units as lead time to ensure smooth implementation of the policy.

#### **6.9.5 Dealer/Distribution Margin**

Vide notification dated 28<sup>th</sup> March, 2018

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

### **6.10 Policy for uniform freight subsidy on all fertilizers under the fertilizer subsidy regime**

**6.10.1** 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 FICCI for reimbursement of freight for indigenous urea under NPS-III.
- (iii) The normative per KM rate is annually escalated/de-escalated based on a composite road transport index (weighted average of the WPIs of HSD Oil, Motor tyres, Truck chassis and all commodities) as being done under NPS-III.
- (iv) The manufacturing units (especially



the SSP units) not having railway siding facilities is reimbursed the road transportation costs from their unit to the nearest rake point based on actual leads and the per tonne per KM rate, as computed in paras above.

- (v) The freight subsidy is paid on actual movement of fertilizers up to the block level based on monthly district-wise /block movement plans. The subsidy will be released only after the fertilizers reach the district/block as per the monthly plan.
- (vi) The special freight re-imburement scheme for J&K and North Eastern states is being under separate category as per the recommendation of the tariff commission.
- (vii) The uniform freight subsidy on urea is paid through the freight module on iFMS, under which the freight for Fertilizers transportation is paid as per the following:
  - a. The companies are raising claims on iFMS (erstwhile mFMS) Module for payment of freight subsidy based on actual rail freight and adhoc road freight.
  - b. The actual railway freight is claimed by the companies based on the railway receipts uploaded in

the freight module on the iFMS (erstwhile mFMS).

- 6.10.2 Based on the recommendations of Tariff Commission, the slab-wise rates in respect of primary road movement upto 500 Kms are notified annually. Vide notification dated 12<sup>th</sup> March, 2018 (**Annexure-XXIII**), this department notified the slab-wise rates in respect of primary road movement for the financial year 2016-17.
- 6.10.3 The escalated/de-escalated Per Tonne Per kilometre (PTPK) for road transportation in the case of secondary movement of fertilizers are also notified by Department of Fertilizers annually. Vide notification dated 12<sup>th</sup> March, 2018 (**Annexure-XXIV**), the escalated/de-escalated PTPK rates for the year 2014-15 and 2015-16 in respect of secondary movement of fertilizers has also been notified by the department.
- 6.11 **Recovery of the incidence of non-reimbursable input taxation levied by State Governments from time to time in subsidy regime**
  - 6.11.1 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 29<sup>th</sup> March, 2011 and 31<sup>st</sup> 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.

However, vide Gujarat Government notification dated 9<sup>th</sup> June, 2017, Additional VAT has been withdrawn w.e.f 1<sup>st</sup> 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 31<sup>st</sup> 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 from the farmers in state of Gujarat.

The additional levy recovered over and above MRP of urea is Rs 680/- per MT in respect of the state of Uttar Pradesh effective from 27<sup>th</sup> May, 2018. However, UP Government has withdrawn the additional VAT from Natural gas w.e.f. 14.11.2018.

## 6.12 IMPLEMENTATION OF DBT IN FERTILIZER SUBSIDY

### 6.12.1 Under the fertilizer DBT system, 100%

subsidy on various fertilizer grades is released to the fertilizer companies on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized fertilizers to farmers/ buyers is made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are identified through Aadhaar Card, KCC, Voter Identity Card etc.

### 6.12.2 Progress made in DBT

- i) **Pilot DBT** : The Pilot project has been implemented in 17 pilot districts (Details at **Annexure-XXV**).
- ii) **Pan India Roll Out of DBT** : Different States/U.T.s have been put on Go-Live mode w.e.f. 01.09.2017 and the Pan-India Roll out has been completed by March, 2018. (Details as per **Annexure – XXVI**).
- iii) **DBT PMU**: A Project Monitoring Cell has been set up at Dept. of Fertilizers to oversee implementation of DBT exclusively. 24 State Coordinators have been appointed across all States to monitor the on-going DBT activities.
- iv) **Pos Deployment & Training of Retailers**:
  - Implementation of the DBT Scheme requires deployment of PoS devices at every retailer shop, training of retailers & wholesalers for operating PoS device.

- Across the country, Lead Fertilizer Supplier (LFS) have conducted 7716 training sessions till date.
- 2.22 Lakh PoS devices have been deployed across all States. Approximately 2.22 lakh retailers have been trained by Lead Fertilizer Suppliers & State Co-ordinators. Details at **Annexure XXVII**.
- A total of 492.2 Lakh MT of fertilizers have been sold under DBT scheme up to October 2018.

**v). Evaluation of DBT in Fertilizers :**

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

- Implementation of DBT System has streamlined the Fertilizer distribution. Retailers and farmers in all districts reported "Nil shortage" of urea owing to neem coating.
- There is improved tracking through mFMS Id i.e. Fertiliser companies have on-boarded untraceable retailers and co-operative depots on MFMS system to avoid delay in subsidy payments.
- Overcharging by retailers has reduced as each fertilizer purchase by farmers is supported by a receipt generated through PoS machines indicating both

MRP paid by the farmers and the subsidy component paid by the Government on the quantity of fertilizer purchased by the farmers.

- Cross border sale has also reduced e.g. across border to Nepal and Bangladesh from Kishanganj.

Based on the positive feedback received from M/s Microsave, the deployment of PoS devices was extended to all the States/UTs across the country

**vi) Subsidy Payment under DBT Framework:**

- The proposed DBT system entails 100% payment of subsidy to the fertilizer manufacturing companies on the basis of actual sales by the retailer to the beneficiary.
- The farmer or buyer's identity is authenticated either through biometric, Aadhaar based, Unique Identification Number or Voter ID Card or Kisan Credit Card.
- Preference will be given to Aadhar based biometric authentication as this is linked to land records and the soil health card of the farmer.
- This would enable recommendation of appropriate mix of fertilizers compatible to the soil health profile of the agricultural land held by the beneficiary.

- However, the recommendation is not binding on the beneficiary and the sale of fertilizers would initially be on a “no denial mode”.
  - The sales to the beneficiary are captured through the Point of Sale (PoS) machines installed at the retailer's end. All the Fertilizer sale transactions are captured online in the Integrated Fertilizer Management System (iFMS) system on real time basis.
  - The claims will be processed on a weekly basis and the amount of subsidy will be remitted to the company's bank account through electronic mode.
  - Subsidy payments under DBT have been initiated. Till date the Department has released subsidy amounting to Rs. 38,585 Cr under DBT in r/o all schemes.
  - Integrated Fertilizer Management System (iFMS) has been integrated with Public Financial Management System (PFMS), the payment portal of Govt. of India. Parallel run is ongoing and bills are being submitted both electronically and physically to Pay & Accounts Office for release of subsidy.
- Transaction visibility at the at the end point/retail point.
  - Transparent and faster tracking of movement of fertilizers along the value chain i.e. from manufacturers to beneficiaries.
  - Minimise diversion of fertilizers.
  - Optimal use of nutrients due to linking Soil Health Card with DBT.
- **Immediate benefits to the farmer:**
- Ready and timely availability of fertilizers at retail point.
  - Sale of fertilizers through PoS devices at subsidized rates.
  - Receipt is generated through PoS device after every sale displaying the rate of fertilizers.
  - No likelihood of over pricing or over charging.
  - Sale receipt indicates the subsidy borne by the Government on behalf of the farmer for the fertilizers purchased.
- **Monitoring & Surveillance:**  
DoF and the State Governments can closely monitor the following activities across the country through Integrated Fertilizer Management System

#### vii) Benefits of DBT :

- Creation of Aadhaar seeded data base of beneficiaries.

(iFMS) and the data captured through PoS devices:

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

➤ **Indirect Benefits:**

- Putting up a PoS device at 2 lakh retailers will create a channel which will provide Unlimited Opportunities for the Government to reach Rural India. This can become service delivery channel to other ministries.
- Digitizing transactions will create purchase history of farmers, which can be used by Financial Institutions to provide credit to farmers based on transaction history at Fertilizer outlets.

**viii) Challenges anticipated in implementation at field level:**

- Aadhaar enrolment of all beneficiaries.
- Preparation of soil health cards / general soil profile of district

- Aadhaar seeding of Land records and Soil Health Cards
- Network Connectivity at each sale point especially in remote areas
- Improving the IT infrastructure /imparting training to retailers
- Monitoring and regulating the functioning of retailers at district level and enforcing Retailer Accountability

**ix) Various challenges of DBT have been addressed as under:**

**a. How to address network connectivity issues.**

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

- PoS devices were provided with multiple connectivity options such as Wi-Fi, LAN, PSTN, SIM, etc.
- A network survey/assessment are conducted at retail shops, to identify the telecom service providers having good connectivity in that area.
- Simple measures such as attaching an antenna to the PoS device can give better signal reception.

**b. How to address peak season sales:**

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

**c. Grievance redressal mechanism**

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

State Coordinators have been appointed by D/o Fertilizers in every State/UT to monitor the implementation of DBT and for quick resolution of hardware/software problems.

**x) Study Visits by Foreign Delegations:**

Various Foreign Delegations visited different states in India to study the implementation of DBT in Fertilizers. A list of such visits is as follows:

- The Central Bank of Nigeria team visited Mumbai on 24.05.2018.
- The delegations from Tanzania visited Sonapat, Haryana on 1st July 2018.
- A team from United Nations consisting representatives from 8 countries visited Panipat, Haryana on 29th November, 2018

**xi) Implementation of DBT in 2 phases:**

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

### SPECTRUM OF DBT ACTIVITIES DURING 2018:

PoS Deployment & Training Programs, Workshops, Field Visits by DoF Officials, study visits by Foreign Delegations



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

### 6.13 Background:

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

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

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

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

**6.14.1** 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.

**6.14.2** 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.

**6.14.3** 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.

**6.14.4** 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.

- 6.14.5** An Inter-Ministerial Committee (IMC) has been constituted with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives of Department of Agriculture & Cooperation (DAC), Department of Expenditure (DOE), Planning Commission and Department of Agricultural Research and Education (DARE). This Committee recommends per nutrient subsidy for 'N', 'P', 'K' and 'S' before the start of the financial year for decision by the Government (Department of Fertilizers). The IMC recommends a per tonne additional subsidy on fortified subsidized fertilizers carrying secondary (other than 'S') and micro- nutrients. The Committee also recommends inclusion of new fertilizers under the subsidy regime based on application of manufacturers/ importers and its need appraisal by the Indian Council for Agricultural Research (ICAR), for decision by the Government.
- 6.14.6** The distribution and movement of fertilizers along with import of finished fertilizers, fertilizer inputs and production by indigenous units is monitored through the online web based “Fertilizer Monitoring System (FMS)” as was being done under the Concession Scheme for P&K fertilizers.
- 6.14.7** 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.
- 6.14.8** 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.
- 6.14.9** 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.
- 6.14.10** 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.

**6.14.11** 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.

**6.14.12** 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.

**6.14.13** 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.

**6.15 Procedure for Payment of subsidy under NBS:**

**6.15.1 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).

**6.15.2 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.

**6.16 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 2018-19 as under:

NBS rates (Rs. per Kg)										
Nutrients	1 <sup>st</sup> Apr - 31 <sup>st</sup> Dec 2010 *	1 <sup>st</sup> Jan- 31 <sup>st</sup> Mar 2011**	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19
'N' (Nitrogen)	23.227	23.227	27.153	24.000	20.875	20.875	20.875	15.854	18.989	18.901
'P' (Phosphate)	26.276	25.624	32.338	21.804	18.679	18.679	18.679	13.241	11.997	15.216
'K'(Potash)	24.487	23.987	26.756	24.000	18.835	15.500	15.500	15.470	12.395	11.124
'S'(Sulphur)	1.784	1.784	1.677	1.677	1.677	1.677	1.677	2.044	2.240	2.722

\*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 2018-19 is given in the **Annexure XXVIII**.

**6.17 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:

SI. 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

**6.18 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:

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

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

#### 6.19 Freight subsidy Policy

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

W.e.f. 1.1.2011 to 31.3.2012, freight on account of Primary Movement (by rail from the plant or the port to various rake points) and Secondary Movement (by road from nearest rake points to the block headquarters in the Districts) of all

P&K fertilizers (except SSP) was reimbursed as per the Uniform Freight Subsidy policy applicable to urea during the period. Freight subsidy for Direct Road Movement (by road from plant or port to blocks) of all P&K fertilizers (except SSP) was reimbursed as per actual claim subject to the equivalent rail freight upto a maximum of 500 Kms. The rates for reimbursement of freight for direct road movement from 1.4.2010 to 31.3.2012 were as under:

Movement (K.M.)	Rate Rs. Per MT
Upto 100	108
101-200	183
201-300	256
301-400	327
401-500	400

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

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

allowable distance under the direct road movement shall be 500 Kms

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

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

**6.20.1** 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.

**6.20.2** 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 had gone up substantially and doubts had been raised about reasonableness of the prices fixed by the companies. The prices had gone up substantially on the account of increase in prices of raw materials / finished fertilizers in international market, depreciation of Indian rupee w.r.t US

Dollar and also due perhaps to larger profit margins by the companies. This led to a 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.

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.

**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		73790.94
2012 -13	30576.10		40016		70592.10
2013 -14	29426.86		41853.30		71280.16
2014 -15	20667.30		54400.01		75067.31
2015 -16	21937.58		54600.01		76537.59
2016 -17	18843.42		51256.59		70100.01
2017 -18	22244.26		46953.70		69197.96
2018 -19 (BE)	25090.35		48360		73450.35

## 6.21 Quality of Fertilizers:

**6.21.1** 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

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

**6.21.2** 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.

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

- To conduct first time technical inspections by PDIL/FEDO of the then existing SSP units/new units in order to ascertain the technical competence of the units to manufacture SSP of the standards laid down under the FCO.
- To conduct six monthly inspections of the existing SSP units by PDIL/FEDO in order to ascertain as to whether the units are adhering to the policy guidelines of subsidy scheme for claiming payment of subsidy and to ensure quality.
- To recommend and notify various grades of rock phosphate of various origins/countries suitable for manufacturing SSP under the concession scheme as per the FCO after obtaining recommendation from PDIL/FEDO. SSP units are allowed to use only notified rock phosphates.
- The Government also checks the quality of imported Rock Phosphate through PDIL/FEDO in some cases to ensure the quality of SSP.
- The Department conducts periodic inspections of SSP units. The Department has also started inspection of SSP units at very short notice for ensuring quality.
- Subsidy is provided subject to monthly quality checks of SSP by the State government.
- 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 5<sup>th</sup> April 2002 after de-merger of the Namrup unit of Assam from Hindustan Fertilizer Corporation Ltd. It has two operating Ammonia-Urea Units namely Namrup-II and Namrup-III which were originally commissioned in 1976 and 1987 respectively. Its Corporate & Registered Offices are also located at Namrup. The other establishments of the company are Liaison Offices at NOIDA & Kolkata and

Marketing Offices at Guwahati, Siliguri & Patna. The authorize share capital and paid up capital of the company as on 31.03.2018 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 (MTPA)	2017-18 (Previous Year)		2018-19 (Current Year)		
		Production (MT)	Capacity Utilisation (%)	Production upto Oct. 2018 (MT)	Projections for 2018-19 (MT)	Projected Capacity Utilisation (%)
Urea* (Namrup-II)	240000	57,730	24.05	26,450	57,000	23.75
Urea (Namrup-III)	270000	2,11,856	78.47	1,20,458	2,47,000	91.48
	510000	2,69,586	52.86	1,46,908	3,04,000	59.61

\* Due to non-availability of NG beyond the contracted volume, only one stream of Urea Plant is being run with effective installed capacity of 120000 MT per annum.



**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 2017-18 (MT)	Sales upto Oct. 2018 (MT)	Sales Projection for 2018-19 (MT)
Urea (Total from Namrup-II&III)	2,69,972	1,47,308	3,04,000

## (ii) Financial performance

(Rs. in crore)

Parameter	For the year 2017-18	2018-19 up to Sept.'18 (Provisional)	2018-19 (Projected)
Total Income	423.15	205.30	500.92
Profit before Tax (+/-)	(-) 0.54	(-) 29.37	(-) 38.62
Net Profit (+/-) (PAT)	0.79	(-) 29.37	(-) 38.62
Net Worth	79.33	49.96	40.70

### 7.1.4 Performance Highlights:

#### (i) Previous Year & Current Year

Production in Namrup-II and Namrup-III plants in the year 2017-18 were not encouraging. Targeted production could not be achieved during the year 2017-18 due to various breakdowns of old, unreliable equipments, leakages in various heat exchangers, boilers, reactors, primary

reformer etc. as well as restriction/fluctuation in Natural Gas supply from OIL. Natural Gas to the tune of about 1.60 MMSCMD was made available by OIL during the year against the contacted quantity of 1.72 MMSCMD on firm basis.

During the FY 2017-18, total urea production in Namrup-II and Namrup-III plants were 57,730 MT and 2,11,856 MT respectively, which is lower than the total urea production of 60,1620 MT and 2,50,443 MT respectively during the previous year 2016-17. The entire production quantity was Neem Coated urea as per the directive of the Gov. of India.

Both Namrup-II and Namrup-III plants encountered few interruptions during the year 2017-18 resulting in lesser urea production as indicated. Namrup-II plant was taken under annual shutdown for replacement of the Primary Reformers tubes with the retrofitted old and used tubes of the Primary Reformer of Namrup-II and Namrup-III plants. Other major jobs like maintenance of the regeneration column, NDT & Hydraulic Test in Ammonia Horton Sphere, overhauling of CO2 compressor were also taken during the annual shutdown. The plants suffered production loss for 56 days due to the above said annual shutdown.

The annual shutdown of Namrup-III plants were taken for retrofitting of EMG

turbine of Synthesis Gas Compressor, replacement of turbine rotor of Process Refrigeration Compressor, epoxy coating of inside surface of the Urea prilling Tower, repair of the top cover of the Urea Reactor and replacement of the damaged tube of auxiliary boiler, so as to enhance the reliability and efficiency of the plants. The supply of upgraded turbine rotor along with the associated spares and the supervision of the retrofitting were under the scope of BHEL. As indicated by BHEL, the entire retrofitting job was to be scheduled to be done in 20 days, but it took around 46 days mainly because of the mismatching of various critical components of EMG turbine supplied by M/s BHEL.

With the availability of average 1.60 MMSCMD of Natural Gas against a total requirement of 1.95 MMSCMD, the company could operate Namrup-II at only 50% of the capacity and Namrup-III at 100% capacity. However, some times during the year, plants faced sudden pressure drop of Natural Gas, forcing either shutdown of the plants or load reduction of both the plants. Besides, there were few production interruptions in Namrup-II and Namrup-III plants because of breakdowns of the equipments and power failures from Captive Power Plant.

Both the operational plants (Namrup-II &

Namrup-III) of the Company are based on vintage technology with obsolete equipments and machineries. However, the Company is putting its best efforts to maintain urea production with reasonable productivity for the next few years till the proposed Namrup-IV project is commissioned. Continuous efforts are being made towards this direction from both operation as well as maintenance departments to increase the on-stream days of production of both Namrup-II & III plants.

One of the CO<sub>2</sub> Compressor had become idle due to non-availability of the spares from OEM. With the help of reverse engineering, spares were obtained from non-OEM sources in Pune. Now the compressor is running normal.

#### **Present Status of the Operating Units:**

- a. **Namrup-III:** Plants are operated at 100% load. However, the plants suffer from obsolescence and ageing of equipments. These lead to lower on-stream days affecting annual production.
- b. **Namrup-II:** The actual available urea capacity of the plant is limited to 50% and actual capacity utilization is often lowered due to reasons as under:
  - i. The plants are underperforming due to vintage technology, frequent failures of vintage equipment and non-availability of original spares because of obsolescence.

- ii. The available capacity is restricted to 50% capacity due to limited supply of Natural Gas to 1.72 MMSCMD against total requirement of 1.95 MMSCMD.
- iii. Old technology adapted in the units.
- iv. Old age of the plants and Non-availability of spares due to obsolescence.
- v. NG supply from M/s OIL is restricted to 1.60 MMSCMD due shortage of NG.
- vi. Urea production is less due to less CO<sub>2</sub> production caused by very lean natural gas made available by M/s OIL with 99% Methane content.

#### Production of Organic Fertilizers:

**Bio-Fertilizer Unit:** The company is having Bio-Fertilizer production facilities at Namrup. The production of Bio-fertilizer started in March 2006. The original capacity of the plant was 20 MT per year. Production in full stream could be started from November 2006. 2 strains of Bio fertilizer are being produced namely Azotobacter and Phospho Bactrin.

Bio Fertilizer produced during the year 2017-18 was the all-time highest annual production. This could be achieved inspite of shifting the Bio Fertilizer Plant from the BVFCL Township to inside the plant premises in old redundant Sulphuric Acid Buildings to get rid of various locational

problems being faced in the old location like frequent power off, considerable distance from the plant etc. The plant was shifted to its new location within a very short time.

**Vermicompost Unit:** The company started manufacture of Vermicompost at Namrup by utilizing existing facilities. The vermicompost utilizes the green foliage already available around township and factory premises and the cow dung available locally. The abandoned sheds and available facilities are used for the purpose. The non-availability of cow dung locally in sufficient quantity is major impediment to higher production of vermi compost.

#### Production & Sales of Bio-Fertilizer & Vermi Compost FY 2012-13 to 2017-18

FY Year	Bio-Fertilizers		Vermi Compost	
	Production	Sale	Production	Sale
2012-13	21985	20880	32376	32736
2013-14	27349	27600	33149	23654
2014-15	19929	21900	65050	43325
2015-16	17962	16560	71010	99719
2016-17	25469	18449	68423	62168
2017-18	35754	42007	91373	87179

#### 7.1.4.2 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 21<sup>st</sup> 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.

Competent Authority has accorded 'In Principle' approval for the proposal for setting up of Namrup-IV project at BVFCL site on nomination basis proposing equity partnership of 52% to RCF, 26% to OIL, 11% to Govt. of Assam and 11% to BVFCL.

Techno Economic Feasibility Report (TEFR) for Namrup-IV has been updated by PDIL with Estimated Project Cost of INR 7840.17, Urea realization floor price of INR 260.66 per MT, Post Tax Internal rate of Return (IRR) of 12.23% and payback period as 6.68 years. The Draft CCEA Note is under examination.

**(A) Farmers Education:**

BVFCL has conducted the following activities during the year 2017-18 amongst the farmers and the dealers to impart the education with respect to the balance use of fertilizers so as to increase the yield of farm products.

- ✓ **Farmers training Programme:** 25 nos. of Farmers Training Programme at different destinations of Assam were conducted. During Farmers Training Programme, farmers were encouraged for soil testing and advised to use balanced/recommended doses of fertilizers, waste to compost & Neem Coated Urea, Mukta Vermi-compost & Mukta Bio-Fertilizers.
- ✓ **Dealers Training Programme:** 4 Nos. of Dealers Training programme were conducted at different destinations of Assam, Tripura & Bihar Since dealers are vital link in disseminating the information to the farmers and retailers. Dealers were educated about importance of soil testing, the benefits of balanced use of fertilizers based on soil sample report, waste to compost & benefits of Neem coated urea, Mukta Vermi-compost & Mukta Bio-Fertilizers. Dealers were requested to facilitate the supplies of Fertilizers to the farmers conforming to their soil requirement.
- ✓ **Village adoption Programme:** 3 Nos. of Village adoption programme were conducted at different districts of upper Assam areas. Under village adoption programme farmers are privileged to interact with BVFCL officials during which they are advised regarding recommended crop pattern, seed type, irrigation requirement, soil treatment and

utilization of other additional inputs for augment their farm income by increasing crop productivity.

- ✓ **Distribution of Crops literature:** 40,000 Nos. of handbills/ leaflets on different crops were distributed amongst the farmers with details of agriculture knowledge including specific literature on balance use of fertilizers, importance of soil testing, waste to compost and Neem Coated Urea, Mukta Vermi-compost & Mukta Bio-Fertilizers.

Sl. No.	Activities undertaken by BVFCL	Achievement in Nos. of programmes.		Plan for remaining period 2018-19
		2017-18	2018-19	
1.	Farmers training Programme	25	09	31
2.	Dealers Training Programme	04	01	04
3.	Village adoption Programme	03	02	01
4.	Distribution of Crops literature	40,000	38,000	2,000
5.	Soil samples testing	0	0	1,200
6.	Participation in Kisan Mela	0	0	04

#### 7.1.4.3 Procurement through MSME Vendor:

Procurement through MSME registered Vendors in the year 2018-19 (upto 30.11.2018) is Rs 7.09 Crores, which 35.80% of the total procurement except feedstock compared to 26.50% of the total procurement from MSME vendors for the year 2017-18.

## 7.1.5 Human Resource Management

### 7.1.5.1 Manpower as on 01.11.2018

Category	Total Employees	Number of Employees belonging to				
		SC	ST	OBC	P.Hs	Women
Officer	404	35	46	120	-	23
Workmen	196	16	33	69	1	12
Total	600	51	79	189	1	35

### 7.1.5.2 Public Grievances redressal and Welfare Measures

(i) There is an Employees Grievance Redressal Committee at BVFCL Namrup under the chairmanship of General Manager (Marketing) with the representative of both the recognized unions and Joint Council of Officers in the committee as Members. Aggrieved employees submit their grievances to the Coordinator of the Committee and the grievances are examined and put up to the chairman of the committee for redressal.

(ii) **SC/ST Grievance Cell:-** There is no separate complaint/grievances redressal mechanism for SC/ST employees. Aggrieved employees submit the grievances to the Coordinator of the Employees Grievance Redressal Committee of the corporation. Thereafter all the grievances are examined and put up to the Chairman of the Committee for redressal of the grievances.

(iii) **Sexual Harassment Cell:** For looking

into the matters relating to prevention of Sexual harassment of women employees at the workplaces, BVFCL is having a Internal Complaints Redressal Committee under Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 7.1.5.3 Welfare of Minorities:

As per directives received from the Administrative Ministry regarding PM's 15-point programme relating to welfare of minorities, BVFCL is taking due care at the time of recruitment, promotion etc. A representative of the minority committee is also included in the selection committee for recruitment and promotion. In dealership allotment for urea (product of BVFCL), applicants from minority community are given privileges w.r.t. others.

### 7.1.5.4 Training:

Besides the training programmes extended to the regular employees, BVFCL has been imparting one-year practical training to the diploma holders under Apprenticeship Act 1963. Process for engagement of 17 Nos. apprentices (ITI pass) for one-year practical training under Apprentice Act 1963 is under process.

### Facilitating training for Make in India/ Start up India / Skill India:

BVFCL has been imparting vocational

training to the unemployed educated youth of the locality. In addition, Apprentices (3-year Diploma Holder) are being engaged under the Apprenticeship (Amended) Act 1973 and 1986 through the National Web Portal under National Apprenticeship Training Scheme (NATS) introduced by Ministry of Human Resource Development (MHRD), Government of India. Process for engagement of apprentices (ITI Pass) in the band of 2.5% of total workforce under the National Apprentice Promotion Scheme (NAPS) introduced by Ministry of Skill Development (MSDE), Government of India has already been initiated and the apprentices are likely to be engaged very soon

#### **Digital initiative:**

#### **The following steps have been taken towards digitalisation:**

- Implementation of Online Performance Appraisal System for officers.
- E-mail ids have been allotted to all the senior and middle level officers as well as various departments to improve communication.
- A Local Area Network covering 150 work stations at different locations in position along with leased line internet facility through managed firewall.
- Recruitment at various levels through submission of application and further communication in online mode.

- Tendering for all higher value contracts are done through e-tendering route.
- Digital payment is being made to all the stake holders of the company. PoS machines have been installed in Marketing and Finance Departments to cater to digital transactions with the customers, dealers etc.
- A project for implementation of Human Resource Management System, upgradation of the existing Financial Accounting System and pay Roll Management System is under consideration.
- CCTV surveillance system has been installed in the strategic locations.

Implementation of biometric attendance system is in progress.

#### **7.1.6 CSR, Sustainable development & Aspirational District**

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

College and for State Dispensary for extending general medical facilities to non-employees.

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

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

An amount of Rs.25.00 Lacs has been earmarked as CSR budget for the year 2018-19. Regarding sustainable development, BVFCL undertakes various activities to attain sustainable development objectives through saving/ conservation activities. Changeover to energy efficient LED lights are being executed in public and plant lightings, plantations of about 2000 Nos. saplings to reduce greenhouse gas emission, providing solar lights in some strategic locations, mass campaign for protection of environment are some of the measures adopted in the company.

### 7.1.7 Initiatives to improve the performance of the organisation

In order to ensure the operation of the

existing plants upto 2023-24, till commissioning of the new project, problems leading to breakdown of the equipments has been identified and replacement/rectification are being taken-up progressively. Some of the major jobs are as follows:

- Major overhauling of Frame V GE Gas Turbine (Control System Mark II) in the next ATA to ensure the reliability and efficiency of the plant. The job is targeted to be completed within 25 days.
- **Namrup-II:** Replacement of 140 Nos. of tubes of Primary reformer of Ammonia Plant, replacement of Primary Reformer Catalyst, statutory hydraulic test & NDT of the Ammonia storage vessel etc. Towards cost effective measure, the plugged/badly damaged tubes of Primary Reformer have been replaced by reusing old & used tubes of Primary Reformer of Ammonia-III plant with suitable in-house modification of those tubes which have been found to retain enough working lives. This action has saved approx. Rs. 9.00 cr that would have been required for procuring new tubes.
- **Namrup-III:** Retrofitting of EMG turbine & replacement/re-tubing of coolers of Synthesis Gas Compressor, repairing of Urea Plant Prilling Tower etc. Most of the jobs were completed as per plan except the retrofitting jobs of the EMG turbine of Synthesis Gas



Compressor was carried out under the technical supervision of M/s BHEL.

- Super heater coil tubes of Auxiliary Boiler were failing very frequently in the recent time resulting limitation in production. The problem has been rectified by successfully fabricating steam coils with our available resources thus improving productivity of the plant.
- A new High Pressure Seal Oil Pump is under procurement for Synthesis Gas Compressor of Ammonia-III Plant, which will enhance the stability of the HP Seal Oil system of the compressor.
- The company has undertaken in-house modification jobs towards cost cutting measure on regular basis in Operation and Maintenance fields, so as to ensure safe and reliable running of the plants with enhanced efficiency.
- Renovation of Cooling Tower of Namrup-II has been taken up to increase the stability of the Cooling Tower. Action has also been initiated for renovation of Namrup-III Cooling Tower. Various procurement actions have been initiated depending upon availability of fund to increase the reliability of the plant.
- **Central Mechanical Workshop:** Capacity building of in-house infrastructure is being taken-up to reduce dependence on outside parties. Also reverse engineering practices are being adopted to reduce cost. Apart from this, best engineering practices are being adopted to increase overall efficiency as well as productivity of the plant.
- Reverse engineering practices are being adopted to reduce the cost and downtime of the plants. In this effort the company has taken-up regular preventive maintenance work and also all possible measures are being taken to maximize stream days by arresting/minimizing the plant breakdown time.
- Online Monitoring System for liquid effluent and stack gas has been successfully installed and commissioned. Now, all the vital parameters regarding discharge of effluents and stack emission are displayed in the CPCB website. Action has been initiated to uplinking of the same data in the website of State Pollution Control Board also, which is likely to be completed shortly.
- To improve environmental conditions, tree plantations have been taken in hand in the surrounding areas.
- Cleanliness drives are taken in the residential areas and to make the people aware of the same, BVFCL has taken up public awareness campaign by actively participating in Swachhata Hi Seva, Gandhi Jayanti etc. through distribution of leaflets, taking out rallies, street plays etc.
- As the plants are old and based on obsolete technology, steps have been initiated to conduct HAZOP Study and Quantitative Risk Assessment for the first time by

engaging an external competent agency. This is required to identify all causes of deviation from normal safe operation, if any, which could lead to any safety hazards or operability problems and to define any action required to deal with it to ensure safe operation of the plants and safety of the personnel and surrounding areas by further improving environmental conditions in the plants and surroundings. External Safety Audit is already being carried out regularly.

#### 7.1.8 Swacchta Programme:-

BVFCL has widely celebrated the “Swachhta Pakhwada” from 1<sup>st</sup> to 15<sup>th</sup> September, 2018 and Swachhata Hi Seva 2018 (SHS) from 15<sup>th</sup> September to 2<sup>nd</sup> October, 2018 with various innovative programmes. This year, BVFCL got the

award from DoF, for good performance during Swachhta Pakhwada, 2018.

Cleanliness drives are taken in the residential areas and to make the people aware of the same. BVFCL has taken up public awareness campaign by actively participating in Swachhata Hi Seva, Gandhi Jayanti etc. through distribution of leaflets, taking out rallies, street plays etc.

Besides these activities, this year BVFCL has taken up various innovative activities under “Swachh Bharat Abhiyan”. BVFCL was awarded the 3<sup>rd</sup> prize under Swachhata Pakhwada Award 2018 by Department of Fertilizers for conducting effective and innovative activities towards cleanliness. The award was given by Secretary (Fertilizers) on 28<sup>th</sup> September 2018.



Cleaning drain under Swachhta Abhiyan of BVFCL



Awareing students on the importance of Swachhta



MoU Signing 2018-19 between Secretary (Fertilizers) & CMD, BVFCL.



Observation of Condolence for Late Minister Shri Ananth Kumar



Observation of Yoga Day on 21.06.2018

## THE FERTILIZERS AND CHEMICALS TRAVANCORE LIMITED (FACT)

### 7.2.1 Brief Overview Of The Organization

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

From a modest beginning, FACT has expanded and diversified into multi-divisional 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 Fertiliser Plant commissioned during 1976-78. The said unit is named as Cochin Division.

FACT expanded further with the

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

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

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

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

With the adoption of group pricing scheme for urea by Government of India with effect from 01.04.2003, the operations of the Ammonia/Urea plant at

Cochin Division became economically unviable with the energy consumption levels of these plants. Consequently, it was decided to shut down the Ammonia-Urea plants at Cochin Division.

#### Main products of FACT are:

Product	Installed Capacity
a. Factamfos (NP 20:20)	633,500 MT per annum
b. Ammonium Sulphate	225,000 MT per annum
c. Caprolactam	50,000 MT 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 2017-18 the Company

could improve its physical and financial performance as compared to the financial year 2016-17.

The turnover of the company for the year 2017-18 was Rs.1970.02 crore against the previous year figure of 1945.80 crore. The financial results of the company for the year 2017-18 shows a net loss of Rs.130.51 crore as compared to Rs.262.68 crore during the year 2016-17.

Factamfos production for the year was 670915 MT in comparison with 640322 MT for the year 2016-17, showing a remarkable improvement of 30593 MT.

In the case of Ammonium Sulphate, the production was 180178 MT against the previous year figure of 152953 MT, with an improvement of 27225 MT. The production of Ammonium Sulphate is highest in past seven years.

#### 7.2.3.1 Physical performance (against Capacity)

Product Production	Installed Capacity (MTPA)	2017-18 (Previous year)		2018-19 (Current year)		
		Production (MT)	% Capacity Utilization			Production (MT)
Ammonium Sulphate	225000	180178	80	Ammonium Sulphate	225000	180178
Factamfos	633500	670915	106	Factamfos	633500	670915
Caprolactam	50000	0	0	Caprolactam	50000	0

Product	Sales during 2017-18	Sales during 2018 -19 (From April to October)	Sales plan for 2018-19
Factamfos 20:20:0:13 (Incl. Zn.FF)	661481	355299	650000
Ammonium Sulphate	168070	75298	150000
Imported NP 20:20:0:13	9228	3028	3028
Imported MOP	8191	225	225
<b>TOTAL</b>	<b>846970</b>	<b>433850</b>	<b>803253</b>

### 7.2.3.2. FINANCIAL PERFORMANCE

(Rs. in Lakh)

Particulars	Financial year 2017-18	For the Year 2018-19 (From April'18 to Oct'18)	For the Year 2017-18 (From Nov'18 to Mar'19)	Projections for the Year 2018-19
Net Sales/turnover	192867	109140	83161	192300
Profit / Loss (-) before Tax	-13051	24499	-17814	6874
Profit / Loss (-) after Tax	-13051	24499	-17814	6874
Other comprehensive income	268	-1914	-400	-2314
Total comprehensive income	-12782	22585	-18214	4560

### 7.2.4 Performance Highlights

#### 7.2.4.1. Previous Year & Current Year:

##### Previous Year

- Production and marketing performance improved as compared to the year 2016-17.
- Increase in total Revenue as compared to previous year.
- Considerable decrease in loss.
- Remarkable improvement of 30593 MT in Factamfos production.
- Growth of 17.8% (27225 MT) in production of Ammonium Sulphate.
- Highest production of Ammonium Sulphate in past 7 years.
- 13.63% growth in sale of fertilizers.
- First prize in 'C' region for excellent performance in official language implementation.

##### Current Year

- During the year 2018-19 the company has planned to optimise the production and sale of fertilisers. An ambitious sales plan was envisaged with a sale of more than 1 million MT of fertilisers. However, the breakdown in Sulphuric Acid Plant at Udyogamandal Division in April 2018 had affected the production of Ammonium Sulphate. The unprecedented flood occurred in the State of Kerala during the

month of August 2018 had also affected the production of fertilisers.

- During the year 2018-19 as part of financial restructuring FACT had leveraged 151 Acres of land to BPCL for a total consideration of ₹ 410.29 Crore. This has resulted in improving the liquidity position of the company.
- The production of Factamfos upto 30-10-2018 was 315770 MT and Ammonium Sulphate was 51961 MT. Sales turnover of company upto 31-10-2018 is 1091.40 Crore. Sale of Factamfos upto 31-10-2018 is 355299 MT and Ammonium Sulphate is 75298 MT.
- Development and Billing of Phosphate Rich Organic Manure (PROM) was one of the performance parameters assigned to FACT under the MOU with Department of Fertilisers (DoF), for the year 2018-19. The company launched two varieties of PROM, one developed by the Soil Testing Laboratory of Marketing Division and another, Lignite based version developed by the R&D Department of FACT and made the billing on 9<sup>th</sup> November 2018.

#### 7.2.4.2. New Investment/Project

FACT is prioritising the investment options for essential capital jobs and debottlenecking the physical operations of the company, utilising a part of the amount received from leverage of land to

BPCL. Major schemes planned include statutory & essential capital items, storage tanks for raw materials / intermediates, a granulated fertiliser plant and Barge for transportation of ammonia

#### 7.2.4.3 Revival of Sick/Weak Unit Status/ Action Plan

FACT had submitted a comprehensive financial restructuring package for the sustained operation of the company in the long run. FACT has requested the following assistance from Government of India.

- (i) Approval for the sale/ leveraging of 651.479 acres of land held by the Company out of which 481.97 acres of land for transfer to Govt. of Kerala (331.79 acres @ Rs.2.4758 Crore per acre and 150 acres @ Rs.1 Crore per acre) and the remaining 169.689 acres of land @ Rs.2.4758 Crore per acre for transfer to BPCL.
- (ii) 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).
- (iii) Write-off of outstanding GoI loan of Rs.1282.73 Crore as on 31.03.17.
- (iv) Write-off of the total interest payable on GoI loans (1282.73 Crore) upto 31.03.17 amounting to Rs.487.76 Crore.
- (v) Waiver/refund of consequent tax



liabilities on account of implementation of the above financial restructuring proposal.

Government of India had accorded approval for leverage of 169.689 acres of land to BPCL-Kochi Refinery and Sale Deed had been executed for sale of 151 acres of land in favour of BPCL-Kochi Refinery on 10<sup>th</sup> May 2018 and received the consideration.

Department of Fertilisers requested FACT to delink the proposal for sale of land to Government of Kerala from the financial restructuring package. Accordingly, FACT had submitted a revised proposal to Government of India delinking the sale of land to Government of Kerala from the financial restructuring package.

## 7.2.5 Human Resources Management

### 7.2.5.1 Manpower

The total number of regular employees as on 31-10-2018 employed by the Company is 1862. Company has recruited 31 Management Trainees, 9 Layer 1 Officers and 86 non managerial employees (On contract –ad hoc basis). Normal promotions were effected during the year 2018-19.

### 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

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

### 7.2.5.3. Welfare of Minorities

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 also take up individual grievances of SC/ST employees with the management for direct redressal. The Liaison Officer for SC/ST shall be the Liaison Officer for Person with Disabilities. Company has a Liaison Officer for OBC 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 2017-18 and 2018-19 upto October, 2018 is given below:

##### Details of Internal Training

Year	2018-19 (April-Oct)	2017-18
Total No. of programmes conducted	13	37
Total participants	342	915

##### External Training offered

Year	2018-19 (April-Oct)	2017-18
Total No. of programmes offered	24	32
Total officer trained	103	61

##### Students offered with Inplant / Project Work Post Qualification Training

Sl. No	Particulars	Financial Year 2018-19 April-Oct	Financial Year 2017-18
1	Project Work	239	651
2	Inplant Training	1847	2199
3	Organisational Study	33	31
4	Post qualification Training	44	135
	Total	2163	3016

##### Apprenticeship offered

Sl. No.	Discipline	Financial Year 2018-19 April-Oct	Financial Year 2017-18
1	Trade (ITI)	86	81
2	Technician (Diploma)	42	21
3	Graduate (B.Tech.)	24	12
	Total	152	114

**Skill Development Programmes**

Sl. No	Particulars	Financial Year 2018-19 April-Oct	Financial Year 2017-18
1	3 months Certificate course on Instrumentation Maintenance & Control	52	51
2	3 months Certificate course on Heavy Equipment Operation 1-year Diploma course in	39	46
3	Fire & Safety Engineering	40	40

**7.2.6 CSR and Sustained Development**

FACT is giving priority to CSR activities to improve the standard of living of people in the vicinity of the Plant Area and the Farming Community. Since the Company is a sick and loss making unit, the Company is not in a position to spend substantial amount for CSR activities. CSR activities of FACT includes supply of drinking water to the nearby areas of Udyogamandal, where the plants are located, soil testing services to farmers, etc.

**7.2.7 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. As part of Financial Restructuring, for sustainable operation of the company in the long run, FACT proposes to set up a 1000 TPD NP expansion project at FACT Cochin Division at Ambalamedu. FACT also proposes to set up additional imported Ammonia Storage facility at Willingdon Island and augmentation of raw material handling facility to meet the raw material requirements of the company.

Once the Financial Restructuring proposal submitted by the Company is approved, the net worth of the company would improve substantially and company could make net profit from the financial year 2018-19 onwards. On implementation of the proposed 1000 TPD NP expansion project, the fertiliser production of the company would increase from 9.5 lakh MT to 12.7 lakh MT and the turnover would increase from the present level of ₹2000 Crore to ₹3000 Crore.

**7.2.8 Swachhta Pakhwada:**

FACT has widely celebrated the “Swachhta Pakhwada” from 1<sup>st</sup> to 15<sup>th</sup> September, 2018 with various innovative programmes.



FACT - Seminar on Emerging Trends in Plastic Waste Management held on 12.09.18 – Inauguration.



FACT - Cleaning drive at NPK plant in Cochin Division, Ambalamedu



**FACT - Agricultural Seminar at Parchur, Andhra Pradesh on 06.09.18 - Soil conditioning, Promotion of Organic Manure, etc.**

## **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 Jodhpur Mining Organisation (JMO) from Fertilizer Corporation of India Ltd. (FCIL). The authorized share capital and paid up share capital of the Company is Rs.30.00 crore as on 31-03-2018.

### **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/Annunum)	2017-18 Previous Year		2018-19 Current Year	
		Production (MT)	Capacity Utilisation (%)		Production (MT)
Gypsum	1225000	326661	26.67	Gypsum	326661

**Reason for major deviation in performance if any - Nil**

Marketing	Sales 2017-18		Sales Upto Oct.2018	Sales Projections 2018-19	
	Qty. (MT)	Amount (Rs.Cr.)	Qty. (MT)	Qty. (MT)	Amount (Rs.Cr.)
Gypsum	428748	48.60	217401	Gypsum	428748

**Reason for major deviation in performance if any - Nil**

#### 7.3.3.2 Financial Performance

	For the year 2017-18	For the period April – Oct.2018	Projections for 2018-19
<b>Turnover (Rs.Cr.)</b>	48.60	33.34	56.08
<b>Profit before exceptional item and tax (Rs.Cr.)</b>	31.58	19.67	34.36
<b>Profit after tax (Rs.Cr.)</b>	27.03	12.80	22.35

### 7.3.4 Performance Highlights

#### 7.3.4.1 Previous Year & Current Year

During the current year 2018-19, upto 31.10.2018, the Company has produced 2.08 lakh MT as against the production of 3.27 lakh MT for the entire previous year, the sales during 2018-19 upto 31.10.2018 were 2.17 lakh MT as against the sales of 4.29 lakh MT for the entire previous year.

During the year 2018-19 upto 31.10.2018, the Company has achieved a turnover of of Rs.3334.14 lakh against Rs.4860.06 lakh actual turnover of for previous year, the company has achieved Rs.1967.22 lakh as profit before exceptional item and tax as against actual Rs.3158.23 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.

### 7.3.5 Human Resource Management

#### 7.3.5.1 Manpower as on 31-10-2018

Group	Total Employees	Number of employees belonging to					
		SC			SC		
A	23	4	A	23	4	A	
B	08	1	B	08	1	B	
C	09	0	C	09	0	C	
D	03	0	D	03	0	D	
<b>TOTAL</b>	<b>46</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>	

#### 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.

- Grievance Cell is functional to redress the public and staff grievances as well as SC/ST grievances and no grievance is pending as on date.
- Sexual Harassment Committee is functional.

At present, no grievance is pending.

#### 7.3.5.3 Welfare Measures

- Welfare of Minorities**

Nil

- Welfare, Development and Empowerment of Women**

We are taking due care towards women empowerment. No process of recruitment was done during the year 2018-19.

- Welfare of SCs & Sts**

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

- 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.

#### 7.3.5.4 Training

S. No.	Programme	Name	Place	Period	Man days
1	Legal Aspects of People Management	Sh. S.S. Shekhawat, General Manager	Hyderabad	21 -22 June, 2018	02
2	E-Procurement & E-Reverse Auction For Project Contracts And Effective Contract Implementation	Sh. C.S. Khichi, Dy. Manager (MM)	Delhi	21 -22 June, 2018	02

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

During the year company has appointed 07 apprentices under The Apprentices Act, 1961.

#### (B) Procurement through MSME vendor –

Rs.130.80 lakh in the year 2017-18 and Rs.95.00 lakh upto 30.11.2018 (2018-19).

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

As a part of society, the company undertakes socio economic and

community development programs to promote education, improvement of living conditions by Self Help Group (SHG) in villages located in the vicinity of the mines. For this the company developed a CSR scheme. In the year 2017-18 company has spent Rs. 111.07 lakh (previous year CSR Rs. 101.12 lakh) to provide assistance for education, drinking water, community halls, contribution in Swachh Bharat Kosh & in National Sports Development Fund etc. For the year 2018-19, company is making necessary efforts to spend the required amount of Rs.104.11 lakh.

#### (A) Aspirational District - CSR –

Company has chosen Jaisalmer as the aspirational district under CSR. It is proposed to spend 50% Budget of the CSR during the year 2018-19

#### 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 Environmental 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 2020.

### **Other Minerals**

FAGMIL is continuously making efforts for reservation of important minerals like Rock Phosphate, & Dolomite etc. with the Government of Rajasthan. The proposal for issue of Gazette Notification for reserving the areas for Rock Phosphate & Dolomite, is pending with Ministry of Mines, (GoI).

### **White Cement Plant**

To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant. LoI has been issued by Government of Himachal Pradesh on 27.06.2018.

### **7.3.8 Swachhhta Programme –**

Responding to the Nation's call by the Prime Minister Narendra Modi, FAGMIL has taken the lead in launching the “Swachhata Pakhwada” at Jodhpur Head Office and Mines locations from 1<sup>st</sup> -15<sup>th</sup> September ,2018. The programme was formally initiated on 01.09.2018 at Head Office, Jodhpur with pledge of swachhhta with the officers and workmen at Head Office, Jodhpur at FAGMIL alongwith the

contract labours followed by a lecture by Shri S. S. Shekhawat, General Manager, on cleanliness of environment and enlightened the staff with its place in Indian Social Ethics.

As per the directions received from DoF for the period from 01.09.2018 to 15.09.2018, the company has carried out several activities during the Swachhata Pakhwada and it was celebrated with great enthusiasm. During the Pakhwada all the Mining sites and its premises were examined for cleanliness and importance of sanitation to keep the environment and surroundings healthy. The sanitation campaign is a great success that has inculcated a sense of safety and hygiene in each and every individual of the office campus. Nearby villages, farmers and school children were also sensitized and this has resulted in building up of new generation of soldiers for Clean Indian Campaign.

At the outset, on 1<sup>st</sup> September, 2018 all the administrative, mining and supporting staff administered the Swachhata pledge to 'not indulge' in littering and to not allow it to happen.' Further, all the employees pledged to devote 2 hours per week towards voluntary work for cleanliness and to further propagate the pledge among friends and family.



Distribution of saplings by FAGMIL to the students



Distribution of soap to the students by FAGMIL



MOU for the year 2018-19 being exchanged between Secretary (F), Smt. Bharathi Sivaswami Sihag and CMD FAGMIL, Smt. Alka Tiwari.



CMD FAGMIL, Smt. Alka Tiwari receiving the prize of Hindi Salahkar Samiti for 2017-18 from Hon'ble Minister Chemicals and Fertilizers

## 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 obtained on 16.10.2015. Allocation of water, power 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 92% as on October 2018. State Government of Telangana agreed to contribute 11% equity and have released Rs.72 crore as its First Instalment. Further, GAIL has agreed to contribute 14.3% of equity and HTAS consortium (Technology Supplier) have agreed to contribute 11.7% equity. The plant is likely to be commissioned by June 2019.

### Talcher Unit

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

### 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 at the project sites.

### 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 Financial Performance

Objects	For the year 2017-18	For the period April-Dec. 2018 (Estimated)	Projections for 2018-19 (Estimated)
Turnover (Rs. Crore)	29.83	15.20	22.30
Profit before tax (Rs. Cr.)	145.27	160.00	167.27
Profit after tax (Rs. Cr.)	113.95	160.00	130.00

#### 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 31.10.2018

**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 except Korba unit are under revival by nominated PSUs.

#### 7.4.8 Swachhta Pakhwada:

FCIL has celebrated the “Swachhta Pakhwada” from 1<sup>st</sup> to 15<sup>th</sup> September, 2018 with various innovative programmes.



Planting saplings by the employees of FCIL



Foundation stone laying for Sindri Fertilizer Plant by Hon'ble Prime Minister.



Foundation stone laying for Sindri Fertilizer Plant by Hon'ble Prime Minister.

## 7.5 HINDUSTAN FERTILIZER CORPORATION LIMITED (HFCL)

### 7.5.1 Brief Overview of the Organization

Hindustan Fertilizer Corporation Limited (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 and 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 recommendations of ECOS, CCEA approved on 4.8.2011 revival of Barauni, Durgapur 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 12.7.2016. At present, HFCL has 1 employee on its roll.

#### Progress of revival of closed Units of the Company

##### Barauni Unit.

Union Cabinet decided on 13.7.2016 to revive Barauni Unit along with Sindri & Gorakhpur Units of FCIL, by a Joint Venture of nominated PSUs, namely, NTPC, CIL and IOCL. HFCL and FCIL would also be Joint Venture partners, who would receive 11% of equity in each of the projects in lieu of land use and 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 started the revival activities.

##### Durgapur and Haldia Units :

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

### 7.5.2 Vision/ Mission

To revive all the closed Units of HFCL



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

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

#### 7.5.3.1 Financial Performance

(Rs. In crores)

Sl. No.	Particulars	For the year 2017-18	For the period April-Dec.'2018	Projections for 2018-19
1.	Turnover/ Operating Income	21.04	144.98	147.98
2.	Profit before tax	33.00	79.46	81.32
3.	Profit after tax	22.17	56.55	57.87

#### 7.5.4 Performance Highlight

**7.5.4.1** Nil. (Barauni Unit is under revival through nomination and two other Units are closed).

**7.5.4.2 New Investments/ Projects:** The land and infrastructure of the Barauni Unit has been put to use by JVs 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 one employee on roll as on 30/11/2018.

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

**7.5.5.3 Welfare of Minorities –** As there is only one employee on roll of the Corporation, no training programmes are taken up.

**7.5.5.4 Training –** As there is only one employee on the roll of the Corporation, no training programmes are taken up.

#### 7.5.6 CSR & Sustainable Development

Nil, since Company's Reserve and 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 Units' revival will be taken up later.

#### 7.5.8 Swachhta Pakhwada :

HFCL has celebrated the “Swachhta Pakhwada” from 1<sup>st</sup> to 15<sup>th</sup> September, 2018 with various swachhta activities.

## 7.6 MADRAS FERTILIZERS LIMITED

### 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 date, the paid up equity is ₹161.10 Cr.

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

### 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

Up gradation 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)

The capacity and production details of MFL are as follows:

	Annual Capacity (MT)		Production Details (MT)	
	Pre-Revamp	Post-Revamp	2017-18	2018-19 @
Ammonia	2,47,500	3,46,500	2,52,258	1,11,730
Urea	2,92,050	4,86,750	4,18,898	1,94,460
NPK	5,40,000	8,40,000	62,110	12,940

@ up to October 31, 2018.

Month	Ammonia (MT)	Capacity Utilization (%)	Urea (MT)	Capacity Utilization (%)	NPK	Capacity Utilization (%)
					complex (MT)	
Apr-18	19375	67.1	32657	80.5	10230	14.6
May-18	0	0.0	0	0.0	2710	3.9
Jun-18	0	0.0	0	0.0	0	0.0
Jul-18	19005	65.8	35285	87.0	0	0.0
Aug-18	22146	76.7	38496	94.9	0	0.0
Sep-18	24887	86.2	43000	106.0	0	0.0
Oct-18	26317	91.1	45022	111.0	0	0.0
Apr - Oct 18	111730	55.3	194460	68.5	12940	2.6
Nov-18	25500	88.3	43228	106.6	0	0.0
Dec-18	27000	93.5	45000	110.9	10000	14.3
Jan-19	27600	95.6	45000	110.9	20250	28.9
Feb-19	25000	86.6	40000	98.6	18500	26.4
Mar-19	27600	95.6	45000	110.9	20310	29.0
Nov 18 - Mar 19	132700	91.9	218228	107.6	69060	19.7
<b>Apr 18 - Mar 19</b>	<b>244430</b>	<b>70.5</b>	<b>412688</b>	<b>84.8</b>	<b>82000</b>	<b>9.8</b>

45 Kgs Neem Coated Urea bagging was started on May 24, 2018.

Actual Production (Till October 2018) and estimated Production (November 2018 to March 2019) and Capacity utilization are given below:

#### Sales Performance of Fertilizers, Vijay Organic, Vijay Neem, Co2 and Vijay Biofertilizers:

Marketing	Sales during 2017-18	Sales upto Oct 2018	Sales Projection for 2018-19
Vijay Neem Coated Urea (MT)	4,73,038.50	2,17,053.405	4,87,000
Vijay 17-17-17(MT)	73,953.55	14,742	1,50,000
Vijay Bio (MT)	83	77.12	250

#### Traded products

Marketing	Sales during 2017-18	Sales upto Oct 2018	Sales Projection for 2018-19
Vijay Neem (Ltr)	60,120	42,630	1,23,550
Vijay Organic (MT)	1,683.60	712	6,000
Vijay City Compost(MT)	8,620.05	3939	10,000
CO2 (MT)	8237.93	4070	9000

(\*) Vijay 17-17-17 sales performance is being affected by Production due to raw materials constraints

### 7.6.3.2 Financial Performance

	For the year 2017-18	For the period April – Oct 2018	Projections for 2018-19
Turnover (Rs.Cr)	1617.14	782.35	1736.33
Profit before tax (Rs.Cr)	(44.81)	(97.93)	(66.80)
Profit after tax (Rs.Cr)	(44.81)	(97.93)	(66.80)

### 7.6.4 Performance Highlights

#### 7.6.4.1 Previous Year & Current Year

##### For the Year 2017-18

- Urea production was 4.19 Lac MT and urea energy consumption was 7.827 Gcal/MT.
- Since Inception the lowest specific energy consumption of 9.339 Gcal/MT Ammonia (Design: 9.461 Gcal) & 6.787 Gcal/MT Urea (Derived design: 7.004 Gcal) was achieved on Feb 04, 2018, the average being 9.457 Gcal/MT & 6.879 Gcal/MT respectively in the period Jan 23- Feb 04, 2018.
- With respect to NPK (17:17:17) production, MFL has produced 0.62 Lac MT as against 0.49 Lac MT produced during previous year with a marginal increase by 27%.
- At the close of March 31, 2017, 1450 days were completed without any lost time accident covering 5.61 million man-hours.

##### For the Year 2018-19

- Plant start-up activities commenced from 19th June, 2018 after resumption of Naphtha supply from M/s CPCL and Production started from July 7, 2018.
- The Company has so far produced 194460 MT of Urea with the capacity utilization of 63.5% as of October 31, 2018 and is hopeful of producing another 412688 MT of Urea till Mar 2018.
- The Company has produced 12940 MT of NPK 17-17-17 as of October 31, 2018 and is hopeful of producing another 69060 MT of NPK 17-17-17 till Mar 2018.
- During Apr-Oct 2018, the Company produced 92.560 MT of Bio-fertilizer. Production of Bio-fertilizer is limited to sales

#### 7.6.4.2 New investments / projects

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

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

#### Proposed Financial Restructuring Plan:

As on 31.03.2018, Govt. of India liabilities towards the Company are to the tune of Rs.1117.87 Crore (outstanding loan of Rs. 554.24 Crore and outstanding interest along with penal interest thereon amounting Rs. 563.63 Crore). Due to high interest liability, Net Worth of the Company in FY 2017-18 is (-) Rs. 492.03 Crore.

Plan of action is being prepared for land monetization of MFL's surplus land. Necessary permission for sell of land has been received from the Government of Tamil Nadu. Valuation of land is under process with revenue authorities and nearing completion.

### 7.6.5 Human Resources Management

#### 7.6.5.1 Manpower

Group	Employees as of 31.10.2018	Number of Employees belonging to				
		SC	ST	Ex-Servicemen	Physically Handicapped	OBC
A	198	49	2	-	--	10
B	169	35	3	-	1	7
C	238	70	1	-	4	110
<b>TOTAL</b>	<b>605</b>	<b>154</b>	<b>6</b>	<b>-</b>	<b>5</b>	<b>127</b>

### 7.6.5.2 Grievance Redressal

During 2018-19 (Upto October 31, 2018), MFL has received 2 grievances (Mr V Chandrasekar Ex.E.No.2543 & Mr T Muthukumaran) and those were resolved.

#### SC/ST Grievance Cell

In MFL, SC/ST Grievance Committee is constituted with the following employees:

- I. A Madanmohan, DGM-C & MM (a/c) - Chairman
- II. S Krishna Nagesh, CM – Mktng Member
- III. V Chandramouli, DGM – CA & T (a/c) - Member
- IV. M Malaravan, Chief Manager – Maintenance

### 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

##### Identification of Training needs

Training needs of an employee is identified by the Appraiser in the format attached to the Annual Performance Appraisal. In addition to the training needs identified in the Performance

Appraisal and Training needs are also identified by respective Departments then and there.

### **Planning of Training program**

Based on the consolidated training needs, annual plan of training programs will be drawn. The identified needs of the previous financial year, various In-house and External training programmes are conducted regularly. The employees are nominated for attending Seminars / Workshops / Conference / Symposium organized by professional bodies and industrial associations from time to time. Apprentices are engaged for practical training at Training centre. Refresher courses are conducted whenever new plant/equipment are added to MFL manufacturing operations, for all concerned employees on operations and maintenance related activities as advised by the Department Heads/Group Heads concerned. Training the Graduate Engineer Trainees, Technical Assistant Trainees (Production, Mechanical, Electrical, Instrument, Materials) and Lab Analyst Trainees. Periodic evaluation of Trainee performance for absorption as employee.

**Details of Training Programs are listed below:**

**Awareness Training programs: Safety,**

**Retirement Planning and Vigilance Awareness.**

**Job Oriented Training Programs:** Alignments & Rotating Equipment, DCS & PLC / New DM Training, Power Reliability and Energy Management, Procedure on Tenders and Contracts, E-Auction & E-Procurement, Multi-Channel Strategies of Distribution, Supervisory Development, Managerial Effectiveness and Others External Training in various skills/ seminars.

**Behavioural & Human Relations:** Creative Team Building, Leadership, Motivation, Communication Skills and Personality Development

**Training for Make in India/ Start up India/ Skill India:** MFL engaged 19 apprentices during the year under these programmes.

**Evaluation of Training Programme:**

After attending training program, the employees are sending Feedback to the Functional Head for assessment and improvement in future training. With regard to the Technical Training Program, a Training Impact Evaluation Form, wherever necessary, are filled up by the immediate supervisor of the employee/trainees who attended the training program after six months and based on the Training Impact Form, it will

be decided whether further training program is required or not.

During the year 2017, 257 employees were provided training under 10 internal programs and 12 external programs. This year, we planned for 12 internal programs and external programs as when required. Till now 35 employees were trained through 2 internal program and 4 external programs.

#### **Procurement through MSME Vendor:**

MFL is procuring through MSME Vendors to ensure minimum level of procurement from MSME as 25%.

#### **7.6.6 CSR & Sustainable Development 2017-18**

A sum of Rs. 98,000/- was spent towards cleaning and deepening of pond at Kolathupalayam Village in Coimbatore district during June 16 – 19, 2017.

Provided 200 Food packets on 14.11.2017 to people affected by floods at TPK Nagar, All India Radio Nagar , Tiruvottiyur, Chennai, and Rs 10,000 was spent.

#### **2018-19**

A sum of Rs.2 Lakhs is being spent towards sponsoring a Farmers Meet organized by Coconut Development Board scheduled on December 4, 2018 at

Pollachi, Coimbatore District of Tamilnadu.

#### **7.6.7 Initiatives to improve the performance of the organization**

- RO 'B' stream membranes were renewed and more TTP water was reprocessed.
- New NPK plant with a capacity of 3 Lakhs MT.
- APC installation for Ammonia Process –expected completion by November 2018.
- Feed stock conversion project from naphtha to RLNG will completed by April 2019. Feed stock conversion from Naphtha to RLNG is at an advanced stage of completion. Expected to receive part quantity of gas 0.286 mmscmd as soon as IOCL is ready to supply. MFL will be able to receive full requirement of gas 1.173 mmscmd by May 2019.
- Ammonia condensers (E 1901-B) re tubing done and plant load increased to 100 %

#### **7.6.8 Swacchta Programme**

The MFL has observed swachchata pakhwada 2018 during 2<sup>nd</sup> half of September, 2018. Various activities/competitions were organized during the pakhwada



Swachhta pledge being taken by the employees of MFL



Cleanliness drive in MFL





**MOU signing 2018-19 between Secretary (Fertilizers) & CMD, MFL**

## **7.7 NATIONAL FERTILIZERS LIMITED**

### **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 23<sup>rd</sup> August 1974. It has an authorized share capital of Rs 1000 crore and paid up and subscribed share capital of Rs 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**

A dynamic organization committed to

servicing 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. To be a leading Indian company in fertilizers and beyond with commitment to all stakeholders.

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

## 7.7.3.1 Physical Performance

Production	Installed Capacity per year (LMT)	2017-18		2018-19		
		Production (LMT)	Capacity Utilization w.r.t Re-assessed Capacity (C.U)%	Actual production up to Oct. 2018 (LMT)	Projections for 2018-19 (LMT)	Projected C.U (%) w.r.t Re-assessed Capacity
Urea	35.68 *	38.10	117.9	22.13	38.40	118.7
Bio-Fertilizers	0.007	0.005	76.2	0.003	0.007	98.5
Bentonite Sulphur	0.25	0.007	-	0.035	0.070	-
Nitric Acid	0.91#	0.79	-	0.47	0.71	-
Ammonium Nitrate (AN)	1.19 ##	0.11	-	0.07	0.15	-
Sodium Nitrate	0.02	0.01	-	0.007	0.013	-
Sodium Nitrite	0.03	0.019	-	0.013	0.018	-
Certified Seeds(Qtls.)- Under SMP \$	-	60275	-	2661	129661	-

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

# Installed Capacity of 2 Nitric Acid streams is 182820 MT.

## Installed Capacity of 2 AN streams is 237600 MT.

\$ Certified seeds produced during 2017-18 & 2018-19 is the outcome of sowing done during 2016-17 & 2017-18 respectively.

Marketing / Sale	Sales during 2017-18 (LMT)	Actual Sales (Apr. – Oct. 18) (LMT)	Sales projections for 2018-19 (LMT)
Urea	39.16	22.28	38.40
Bio-Fertilizers	0.005	0.003	0.007
Nitric Acid	0.70	0.42	0.71
<b>Imported Fertilizers</b>			
1.DAP	3.28	2.86	5.74
2.MoP	0.27	-	-
3.NPK	-	0.47	0.75
4.APS	0.26	0.26	0.26
<b>Total (1 to 4)</b>	<b>3.81</b>	<b>3.59</b>	<b>6.75</b>
Bentonite Sulphur	-	0.03	0.08
Compost	0.12	0.14	0.21
Seeds (Quintals)			
Domestic Trading	23276	397	69386
Own Seeds under SMP	31205	12911	60275
Agro Chemicals (Kg/ Ltr.)	366843	551090	1070000

### 7.7.3.2 Financial Performance

Item	For the year 2017-18	For the period April – Sept. 2018	Projections 2018-19
Turnover (Rs Crore)	8928	5408*	12157
Profit before Tax (Rs Crore)	335	178*	354
Profit after Tax (Rs Crore)	213	114*	230

\* Un-Audited Financial achievements are available up to September 2018 only.

### 7.7.4 Performance Highlights

#### 7.7.4.1 Previous year & Current year

##### During 2017-18

- ✓ Ever highest Urea production of **38.102 LMT** (Capacity utilization of 118%) against CPLY of 38.100 LMT.
- ✓ Ever best sale of all Fertilizers of **43.09 LMT**.
- ✓ Ever best sale of Urea of 39.16 LMT.
- ✓ Out of 4.59 LMT of non-Urea Fertilizers (DAP, MoP, APS, NPK, Compost and Bentonite Sulphur) purchased, 3.93 LMT was sold.
- ✓ Ever best sale of Nitric Acid of 0.69 LMT.
- ✓ Ever best sale of Ammonium Nitrate of 0.11 LMT during last five years.

- ✓ **Bentonite Sulphur (BS) plant was commissioned at Panipat on 20-12-2017.**
- ✓ Ever lowest energy consumptions achieved at Nangal, Panipat, Bathinda & Vijaipur complex.
- ✓ Sale of seeds of 54481 quintals includes 31205 quintals of certified seeds (Paddy, Soybean & Wheat) under Seed Multiplication Program.
- ✓ Registered ever best sales turnover of Rs 8928 crore.
- ✓ Registered a Profit before Tax (PBT) of Rs 335 crore (Best in last 15 years).
- ✓ Registered a Profit after Tax (PAT) of Rs 213 crore & EPS Rs 4.34.

#### During 2018-19 (April - October 2018)

- ✓ Urea production of 22.13 LMT.
- ✓ 3485 MT of Bentonite Sulphur produced at Panipat plant after commissioning of the plant in December 2017. The plant after successful GTR, started commercial production on 20-09-2018.
- ✓ Sale of fertilizers **25.87 Lakh MT** (Includes 22.28 LMT of Urea & 3.59 LMT of imported Fertilizers).
- ✓ 55965 MT of Industrial Products (IPs) produced & 50722 MT of IPs sold

#### 7.7.4.2 New Investments / Projects

##### Under implementation:

- a) **Revival of Ramagundam plant**

**through Joint Venture (JV) Company, M/s RFCL:**

A JV company in collaboration with M/s EIL and M/s FCIL formed to revive the old FCIL plant at Ramagundam in the state of Telangana at an estimated cost of Rs 5254 crore and annual Urea capacity of 12.71 LMT. The equity participation in this joint venture is 26% each by M/s NFL & M/s EIL and 11% of M/s FCIL & others 37% (Govt. of Telangana-11%, M/s GAIL-14.3% and HTAS consortium-11.7%).

Project is under progress and expected to be commissioned in 2019-20. As on 31-10-2018, physical progress of the project is 91.7%.

- b) Agrochemical plant at Bathinda Unit of Rs 6 crore for production of farm insecticides under feasibility study.
- c) Implementation of Integrated Energy saving schemes at Panipat, Bathinda & Nangal under NUP-2015 with estimated cost of Rs 675 crore. (*Job awarded to LSTK contractor M/s Thermax with zero date as 01-02-2018 and date of completion as 30-11-2019*).
- d) Energy saving schemes at Vijaipur I and II Units with estimated cost of Rs 235 crore.

**Envisaged:**

- a) Revamp of Urea plants at Panipat & Bathinda Units.
- b) DAP / NPK plant of 1250 MTPD capacity at Bathinda in collaboration with

HMEL, a joint venture company of HPCL and Mittal Energy Limited.

- c) Di-Ammonium Phosphate (DAP) plant of 10 LMT per annum along with Phosphoric Acid Plant in Algeria under buy back arrangement & in Joint Venture with GSFC, RCF and NMDC.
- d) Seed processing plants at Panipat, Bathinda & Indore.

**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, GAIL and HTAS Consortium.

**7.7.5 Human Resource Management**

**7.7.5.1 Manpower**

Manpower as on 31-10-2018:

Group	Total number of employees	Number of SC / ST / OBC / EXSM / PH				
		SC	ST	OBC	*EXSM	**PH
A	1460	279	85	151	1	4
B (Officers)	210	52	17	16	1	4
B (Workers)	1145	324	69	93	8	09
C	430	75	24	107	3	21
D	32	16	1	3	-	-
D (Safai sewaks)	49	49	-	-	-	-
<b>Total</b>	<b>3326</b>	<b>795</b>	<b>196</b>	<b>370</b>	<b>13</b>	<b>38</b>

\* 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 2017-18, 27 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](http://www.nationalfertilizers.com).

#### SC/ST Grievance Cell

An Implementation Cell is functional in all Units / Offices of the Company which looks after the matters relating to the implementation of reservation orders for SC/ST/OBC/PWD/Ex-Servicemen. The progress of implementation of reservation orders for various categories including reservation for Persons with disabilities is monitored on regular basis.

#### Sexual Harassment Cell

Policy on Prevention, Prohibition and Redressal of Sexual harassment of women at work place is in line with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. One complaint of sexual harassment was received in the year 2017-18 and the same has been disposed off. As on the date of

this report, no complaint is pending for disposal

### 7.7.5.3 Welfare of Minorities

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

### 7.7.5.4 Training

- ✓ Various training programmes (in-house as well as external) on contemporary subjects.
- ✓ During 2017-18, 13406 man-days training was imparted to employees and 679 man-days training to women employees. 3.8 Man days training was imparted to each employee.
- ✓ For year 2018-19, Employees are being nominated to attend 36 different external training programmes based on training needs arising out of Performance Management System.

#### Facilitating training for Make in India/ Start up India/ Skill India.

To improve skills and instil behavioural and personality development traits in all supervisory staff and managerial cadre, NFL organised number of training programmes (in-house as well as external)

on contemporary subjects during the year. The training programmes were identified through Performance Management System by synchronizing organizational needs with individual needs. The Company also organized specially designed training programmes for developing women employees in various areas of expertise. During the year 2017-18 employees were nominated to attend training programmes, 13406 man-days training was imparted to employees and 679 man-days training was imparted to women employees. During the year 2017-18, 3.8 Man-days training was imparted to each employee. Employees for the year 2018-19 have so far being nominated to attend 36 different external training programmes based on training needs arising out of Performance Management System.

#### 7.7.6 CSR & Sustainable Development

##### Corporate Social Responsibility

During the year 2017-18, the Company spent an amount of ` 2.97 crore towards various CSR initiatives such as construction of Toilets / Bio-toilets in Girls Schools under “Swachh Bharat Abhiyan”, distribution of desks and ceiling fans in Government schools, 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, distribution of desks and ceiling fans in

Government schools training programme for women in beauty culture & cutting and stitching, distribution of ambulances for public health centers etc.

##### Sustainability Development

- ✓ The company has a full-fledged sustainable development policy to have a consistent & controlled approach on this front.
- ✓ Roof top solar plants of 90~100 KW installed at Corporate office, Noida and Bathinda Unit.
- ✓ Installation of GTG (Gas turbo Generator) along with Heat Recovery Steam generation (HRSG) at Nangal, Bathinda & Panipat Units for reducing the energy consumption and CO<sub>2</sub> emission of plants.
- ✓ 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 11600 tree saplings were planted in and around various Units.

- ✓ 50 Nos. of solar street lights installed in nearby villages of all NFL Units.
- ✓ 5900 conventional lights were replaced with eco-friendly LED lights in NFL units.
- ✓ 5 rainwater harvesting systems installed at Units. This would help in conservation of water, increase in underground water table and increase greenery in the surroundings.

### **Aspirational District - CSR**

Department of Public Enterprises urged that CPSEs should link their CSR activities with national priorities and invited attention to Hon'ble PM's Vision – 2022 to adopt development of Aspirational Districts as theme for the year 2018-19. It was desired that CPSEs should extend their CSR activities in project/programme mode in the aspirational districts for their overall development. In this regard, National Fertilizers Limited (NFL) has adopted district Guna in Madhya Pradesh and the same has been conveyed to DoF. As one of the Units of the Company i.e. Vijaipur Unit is situated in district Guna in Madhya Pradesh, development of district Guna as Aspirational District is in line with the theme of the year 2018-19.

It is also in line with item No. 4.1 of chapter 4 of NFL's CSR Policy which states that “By and large, it may be ensured that majority of the programmes are executed in and around the areas adjoining NFL

plants/Marketing territories.” Accordingly, District Guna (Madhya Pradesh) has been selected under the theme Development of Aspirational Districts.

Guna district is one of the 51 districts of Madhya Pradesh in central India. Its administrative headquarter is Guna. The district has a population of 1,240,938 (2011 census). It has an area of 6390 km<sup>2</sup>, and is bounded on the northeast by Shivpuri District, on the east by Ashoknagar District, on the southeast by Vidisha District on the southwest by Rajgarh District on the west and northwest by Jhalawar and Baran districts of Rajasthan state. Out of the total CSR budget, the company has allocated 50% budget i.e Rs. 315 Lakh towards developmental works in the Aspirational District, Guna. Under this, currently following four projects are being undertaken in Guna:

1. Construction of 377 toilets in Government Schools
2. Medical Camps in Bavrikheda and Vijaipur villages in Guna district.
3. Empower Girl child and Women especially from marginalized communities towards nutrition, health, education
4. Installation of Sanitary Napkin Vending machines and Incinerator

### **7.7.7 Initiatives to improve the performance of the organization**

- ✓ Company has taken Strategic move from Single product to Multi-Product Company through trading of imported 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.
- ✓ Company has commissioned a Bentonite Sulphur plant of 25000 MTPA Capacity on 20-12-2017 at Panipat Unit.
- ✓ Commenced Port handling operations for Urea imported in Govt. account.
- ✓ MoUs signed with M/s RFCL, a joint venture company of NFL with EIL, FCIL and State of Telangana for marketing of RFCL Urea & manpower management consultancy on fee basis.
- ✓ Rationalization / Recruitment of manpower to mitigate risk due to attrition of manpower owing to massive retirements.

#### 7.7.8 Swacchta Program

Various activities undertaken by NFL under Swacchta Pakhwara from 1<sup>st</sup> September 2018 to 15<sup>th</sup> September 2018 as under:

- Pledge taking ceremony on 4<sup>th</sup> September 2018 was organized in which large number of employees participated.
- Banners were displayed at Corporate Office main gates and public places like

Township Market, Admn. Building, Central Canteen, Hospital, School, Factory Main Gate etc. for general awareness of Employees and public.

- A Special cleanliness drive was also organized to keep Offices, work place & Plants clean wherein employees have taken active participation.
- Inter Department and Inter Plant competition was organized for “**Best Kept Office**” and “**Best Kept Plant**”.
- Essay competition was organized for employees of Corporate office, Noida on 06.09.2018.
- Logo designing competition on Swachhta theme for the employees of Corporate Office, Noida was organized on 11.09.2018
- Speech by interested employees on Swachhta was organized on 11.09.2018.
- Slogans were also sought from employees on the subject of “**Swachhta**” wherein more than 15 entries were received from employees.
- A special drive was launched and the old record was weeded out as per guidelines of C.O. to make the offices clean and spacious.
- 6 toilets inaugurated on 06.09.2018 at Aklia Kalan Bhatinda Unit, as part of CSR during Swachhata Pakhwada.
- Lecture by NFL Doctor was organized on



12.09.2018 for 290 school children at Govt. High School, Village Gill Patti, to raise awareness about cleanliness, personal hygiene. Lecture by NFL Doctors was also organized for residents of Gill Patti village.

- Lecture by NFL Doctors was conducted on 12.09.2018 for labourers in Bagging Plant of NFL Bathinda. The program was held to raise awareness about cleanliness and to avoid plastic use.
- Skit on Swachhta was played at main gate of Corporate Office Noida on 12.09.2018 giving message regarding importance of cleanliness in our life. This skit was highly appreciated by audience.
- Concluding ceremony was organized on

14.09.2018 in C.O. Noida. The prizes were given to the winners of various competitions held during Swachhta Pakhwada. In his address, C&MD, emphasized the importance of swachhta in our life and urged to sustain cleanliness in our surrounding so that dream “Swachh Bharat” of our worthy Prime Minister can be achieved.

In all, the initiatives taken on the guidance of Deptt. of Fertilizers have resulted in a positive attitude for cleanliness not only within office, but in the surrounding area also. NFL is committed to make the cleanliness drive a continuing process throughout the year to achieve the desired goals of Swachh Bharat Mission.



A view of field demonstration of City Compost by NFL. City Compost is being promoted by NFL as an initiative under Swachh Bharat Mission.



Toilets have been constructed by NFL under Swachh Bharat Abhiyan as CSR activity at Govt. Schools in villages near Bathinda Unit.



Presenting Swachhata Award by Secretary (F) to Sh. Manoj Mishra, C&MD, NFL



Smt. Sumitra Mahajan, Hon'ble Speaker, Lok Sabha, Sh. Mukhtar Abbas Naqvi, Hon'ble Minister of Minority Affairs and then Hon'ble Minister of State for Parliamentary Affairs and Sh. Manoj Mishra, C&MD, NFL on the stage during the inauguration ceremony of exhibition on "New India - We resolve to make" held in New Delhi.



Late Shri Ananth Kumar, the then Hon'ble Minister of Chemicals & Fertilizers and Parliamentary Affairs presenting Rajbhasha Puraskar of Ministry of Chemicals & Fertilizers to Sh. Manoj Mishra, C&MD, NFL for use of Hindi in official work.

## 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);

The authorized Share Capital of the company is Rs. 60 crore and Paid up Capital is Rs. 17.30 crore as on 31.03.2018.

### 7.8.2 Vision/Mission

#### 7.8.2.1 Vision

To be a leader in 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)

Production	Installed Capacity (MT/Annum)	2017 -18 (Previous Year)		2018 -19 (Current year)		
		Production (MT)	Capacity Utilization (%)	Production up to Oct.' 2018 (MT)	Production for 2018 (MT) -19	Projected Capacity utilization (%)
H.T Catalyst	360	69	19.17%	4.40	4.40	1.22%
Nickel based Catalyst	300	-	-	-	-	-
LT Catalyst	600	28	4.67%	133.42	133.42	22.24%

**Reasons for major deviation in performance, if any** – a) Production is being done only when order received. b) Production has been discontinued as per MOU entered with FCI for handing over the Plants considering Strategic Disinvestment of PDIL process.

### CATALYST SALE

Marketing	Sales during 2017-18	Sales upto Oct.'2018	Sales Projections for 2018-19
H.T. Co. Conv. Catalyst	96	-	-
Nickel based Catalyst	-	-	-
LT Co.Conv. Catalyst	-	159.09	159.09

**Reasons for major deviation in performance, if any** – Bid submission has been discontinued as per MOU entered with FCI for handing over the Catalyst Plants considering Strategic Disinvestment of PDIL is under process.

### 7.8.3.2 Financial Performance:

Parameter	For the year 2017-18	For the period April to October, 2018	Projection 2018-19 (RE)
Turnover	77.76	53.75	100.09
Profit Before Tax (PBT)	0.61	0.47	8.82
Profit After Tax (PAT)	2.69	0.37*	7.00*

\*Profit after tax has been calculated after considering Minimum Alternate Tax (MAT) @20.5868

## 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, PDS-3 D 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. During the financial year, fertilizer sector has witnessed major investment after several years as closed units of FCI & HFCL are being revived through Joint Venture Companies viz M/s Hindustan Urvarak &

Rasayan Ltd. (HURL) and M/s Talcher Fertilizers Limited (TFL). PDIL, being a prime engineering consultant in fertilizer sector having more than six decades of experience, has been entrusted by HURL and TFL for providing consultancy services for their projects at Gorakhpur (Uttar Pradesh), Barauni (Bihar), Sindri (Jharkhand) and Talcher (Odisha). In addition to above, PDIL secured several other jobs including energy saving / revamp projects from various clients.

Important Foreign Projects handled / being handled by PDIL include:

- Feasibility Study for Ammonia/TAN/CAN Project at Algeria for Asmidal Group (Under Execution)
- EPCM Services for 175,000 MTPA Single Super Phosphate Plant at Kokand, Fergana Valley, Uzbekistan for JV Indorama Kokand Fertilizers LLC. (Under Execution)
- EPCM Services for setting up an additional Concentration Line for Phosphoric Acid Concentration at JIFCO, Jordan (successfully completed)
- Detailed Engineering Services for 2200 MTPD Ammonia Plant in Karratha, Australia' for M/s Burrup Fertilizers Pty. Ltd. - The then (year 2006) world's largest single stream gas based Ammonia Plant (successfully completed)

- PMC Services for Algeria-Oman Fertilizer Project comprising of 2x2100 MTPD Ammonia and 2x3675 MTPD Urea for M/s El Sharika El Djazairia El Omania Lil Asmida SpA – World's largest fertilizer complex delivered in single phase (successfully completed)
- EPCM services for Offsite & Utilities for Ammonia-Urea Project at Nigeria for M/s Indorama Eleme Petrochemicals Limited (successfully completed)

On domestic front, PDIL has been recently awarded following major assignments:

- Consultancy Services including PMC for setting up gas based 2200 MTPD Ammonia and 3850 MTPD Urea Fertilizer Plants at Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Barauni (Bihar) for M/s Hindustan Urvarak & Rasayan Limited (HURL)
  - Consultancy Services (Preparation of DFR, Pre-Project activities and Selection of LSTK Contractors) for Coal Gasification based Ammonia Urea Fertilizer Project at Talcher for M/s Talcher Fertilizers Limited (TFL)
  - Consultancy services for implementation of various schemes under ESP-II at NFL, Vijaipur
  - Consultancy Services for Pre-Project activities for gas based 2200 MTPD Ammonia and 3850 MTPD Urea Fertilizer Projects at Barauni for HURL
- Apart from the above, major/ recent projects handled/ being handled by PDIL are as follows:
- Detailed Engineering services of Ammonia plant revamp of KRIBHCO, Surat (Under execution)
  - Consultancy services for Ammonia-Urea Revamp Project for ZACL, Goa (Under execution)
  - EPCM Services for Ammonia-V Revamp Project at RCF, Trombay (Under execution)
  - PMC Services for Installation of Natural Draft Prilling Towers at Panipat & Bathinda for NFL (Under execution)
  - GT-HRSG Projects at Panipat, Bathinda & Nangal for NFL (Under execution)
  - GT-HRSG Project at Trombay and GT-PAC-HRSG Project at Thal for RCF (Under execution)
  - Preparation of DFR for the proposed NPK Project at Krishnapatnam for KRIBHCO (Under execution)
  - Energy Saving Project (Phase-III) for Ammonia-Urea plants at IFFCO Aonla (I&II), Phulpur (I&II) & Kalol (Completed)
  - EPCM Services for 2200 MTPD Ammonia Plant based on Coal Bed

Methane (CBM) for Matix Fertilizers & Chemicals Ltd. - World' first CBM based Ammonia Plant (Completed).

#### 7.8.4.2.2 Refinery, Oil & Gas and Other Sectors

PDIL has been bestowed with the privilege of serving almost all the major 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 Consultancy Jobs for Refinery Units like Atmospheric Distillation /Hydrogen Generation / Sulphur Recovery / Nitrogen Generation/ Fluid Catalytic Cracking / Flue Gas Recovery / CCR-PSA/ Sour Water Stripping / Crude Distillation and Crude Topping Units etc.

The major recently executed / being executed assignments include consultancy services for Catalyst Plant at IOCL- Panipat Refinery, LPG terminal at Mundra for Mundra LPG terminal Pvt. Ltd, Transmix Separator

Plant at IOCL-Jaipur, Conversion of Baitalpur Depot to TOP (Petroleum Storage Terminal) at Patna Baitalpur Pipeline at Baitalpur for IOCL, CCR PSA for HPCL-Visakh, LPG Bullets at ONGC-Hazira & Uran, Flue Gas Recovery Unit at HPCL-Visakh, OCTAMAX Project at IOCL-Mathura; Ennore Coastal POL Terminal of BPCL; LPG Bottling Plant at IOCL-Bathinda; Design & Engineering for various works at installations of Ankleswar asset and Crude Oil storage tanks at Gopavaram, Kesanapalli & Malleswaram for ONGC, EPMC services for LPG mounded bullet at Guwahati Refinery, POL storage terminal at Asanur Tamil Nadu for IOCL, 6 LPG bottling plants of IOCL & 3 LPG bottling plants of HPCL and PMC for replacement of FEED/ effluent exchanger in Catalytic Reformer Unit of IOCL Bongaigaon. PDIL has also rendered consultancy services as LIE (Lender's Independent Engineer) to State Bank of India for few projects.

In the current Financial Year, PDIL has secured several orders in the Oil & Gas and Refinery Sectors; major ones being Consultancy Services for Capacity augmentation of IOCL LPG Import Terminal at Kandla,



Revamping of Facilities at Visakhapatnam (Vizag) Terminal of IOCL, grassroot Petroleum Storage Terminal at IOCL-Motihari and Rayagada LPG Plant at HPCL-Mumbai.

#### 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 Bi-Carbonate. 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.

#### 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. Presently, PDIL is rendering EPCM Services to HURL for offsites / utilities for their proposed Ammonia-Urea plants at Gorakhpur and Sindri.

#### 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 Other Sectors

In 2017, PDIL has been awarded an assignment of providing Engineering Services Consultancy for Basic engineering and preparation of DBR and DPR for setting up A) Single stream & B) Twin Stream Hybrid Technology Based HWP for M/s Heavy Water Board, Mumbai. The assignment is presently under execution

#### 7.8.4.2.8 Third Party Inspection & NDT Services

PDIL have 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 of rural electrification works of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) works under 12th Plan Phase II of M/s South Bihar Power Distribution Corp. Ltd., Patna
- Third Party Inspection of material / equipments procured by M/s North Bihar Power Distribution Corp. Ltd., Patna
- Third Party Inspection of material / equipments procured by M/s South Bihar Power Distribution Corp. Ltd., Patna
- Inspection of rural electrification works in 8 districts of Odisha under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) by Power Grid Corporation of India Ltd., Bhubaneswar.
- Third Party Inspection Services for construction of Mounded Bullets and Fire Water Tanks at 13 LPG Bottling Plants of M/s IOCL
- Project Management & Site Supervision Services for Terminal Automation System at 19 locations of M/s HPCL.
- Inspection of material procured under Material Management Unit of M/s Purvanchal Vidyut Vitran Nigam Limited, Varanasi.
- Third Party Inspection Services for Madhya Pradesh Urban Services Improvement Project (MPUSIP).
- Third Party Inspection of material / equipments procured by M/s Dakshinanchal Vidyut Vitran Nigam Limited, Agra.
- Consultancy Services for All India implementation of Intelli Green Plant concept at identified 74 existing locations of IOCL.
- Health Check up of GCU Furnace Coils at GAIL, Pata..

- Automated Ultrasonic Scanning of Reformer Catalyst Tubes at Panipat Refinery
- Statutory Inspection of LPG Mounded Bullets and Propylene Spheres as per SMPV Rules at M/s MRPL, Mangalore.

#### 7.8.4.2.9 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:-

- 1<sup>st</sup> Technical Inspection of new SSP unit/ Capacity upgradation
- Techno-Commercial Audit of SSP units
- Random sampling of Egyptian Rock phosphate to know the contents
- 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 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 (Indiginious) & 10 Lakh MT (Egyptian) in India.

#### 7.8.4.2.10 In house strengths of PDIL

##### 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,

Micro station, 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 Exchanger Suite of Software. All the offices of PDIL are connected through VPN

### 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.

### DMS Project

PDIL has implemented "Documentum" of EMC<sup>2</sup> as its Electronic Document Management System. It helps PDIL to preserve all its documents in electronic form.

## 7.8.5 Human Resources

### 7.8.5.1 Manpower

The category wise details of employees as on 31.03.2018 is as follows:-

Category	SC	ST	OBC	TOTAL MIP
A	47	17	66	324
B	4	1	5	22
C	3	0	0	6
D	NIL	NIL	NIL	NIL
Total	54	18	71	352

### 7.8.5.2 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.

**SC/ST Grievance Cell:** No such Grievance Cell exists in PDIL.

**Sexual Harassment Cell:** Internal Complaint Committee (ICC) at different units of PDIL under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are constituted

### 7.8.5.3 Welfare of Minorities

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

#### 7.8.5.4 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.

#### Facilitating training for Make in India/Start up India/ Skill India: -

During the financial year 2018-19, till date PDIL has trained 17 persons as per the PDIL Internship Policy under Skill India

#### 7.8.6 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 2017-18.

#### Aspirational District – CSR:

PDIL had incurred losses in the preceding three financial years 2014-15, 2015-16 & 2016-17. Hence, there was no allocation of funds for CSR activity in FY 2017-18. PDIL has not identified an Aspirational District for conducting its CSR activity in the year 2018-19. However, Rs. 4.1 lacs have been allocated for conducting a free medical camp, distributing ten (10) tricycles to physically challenged persons and construction of seven (7) washrooms in a hostel project for hundred (100) underprivileged children in Vadodara District, Gujarat during the FY 2018-19 for CSR activity

#### 7.8.7 Initiatives to improve the overall performance of the organization:

- i) Efforts made for improvement of the business position
  - After active persuasion, PDIL has been awarded orders worth more than Rs.155.00 Crore for the Revival Projects at Gorakhpur, Sindri, Barauni & Talcher Projects
  - Bidding process for Post-LSTK Award PMC Services for Talcher Project is currently under way.
  - Recently, PDIL has been awarded Energy Saving Projects from KRIBHCO, Hazira and NFL, Vijapur
  - Strategic bidding is being continued to secure more business in the non-fertilizer sector (to eliminate dependency on investment in fertilizer

sector only). As a result, PDIL has secured large orders worth ~ Rs 27 Crore up to October' 2018.

- ii) Making continuous efforts to execute the awarded projects as per prescribed timelines
- iii) Trying to control the Expenditure wherever possible without affecting revenue generation of the company (Unit level and Corporate Level committees are in place to monitor the expenditure)
- iv) Encouraging paperless working within PDIL as well as with the clients/vendors/ contractors etc.
- v) Efforts are being made towards recovery of payments in time.

### 7.8.8 Swachhta Programme:

PDIL observed Swachhta Pakhwara & Swachhta Hi Sewa Mission 2018 from 1.9.2018 to 2.10.2018. During this period various competitions like Essay, Slogan writing & Drawing Competitions were organised for PDIL employees. Swachhta pledge has been administered to all employees of PDIL. Tree plantation done in PDIL premises and Plants distributed among PDIL employees. Besides the above, Essay & Drawing competition were also organised for girls of Rajakiya Sarvodaya Kanya Vidyalaya, New Ashok Nagar, New Delhi. Plant & Dustbins were also installed there. Swachhta Campaign IEC lecture given to Farmers on Bio Organic Fertilizers.



**Plantation of saplings by the employees of PDIL**



Distribution of plants to the employees of PDIL



Ammonia Storage Tank-B under Construction at HURL Gorakhpur.



**MARINE LOADING ARMS ERECTED - LPG TERMINAL MUNDRA**



**FIRE WATER TANK CONSTRUCTED AND WARE-HOUSE FOUNDATION IN PROGRES - LPG TERMINAL MUNDRA**





**MoU signing 2018-19 between Secretary (Fertilizers) & CMD, PDIL**

## **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 6<sup>th</sup> 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, Bio-fertilizer 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 2017-18 was, 12.225 lakh MT, 0.72 lakh MT and 0.72 lakh MT respectively.

➤ During April-October 2018, RCF produced 6.90 lakh MT of Nitrogen as against 7.31 lakh MT during the same period of the previous year. Company also produced 0.49 lakh MT of Phosphate (as  $P_2O_5$ ) as against the production of 0.41 lakh MT of the previous year. Production of Potash was 0.49 lakh MT during the period from April to October 2018 compared to production of 0.41 lakh MT Potash

in the period from April to October 2017. During the year 2018-19, the Company is likely to produce 11.86 lakh MT of Nitrogen, 0.825 lakh MT of Phosphate and 0.825 lakh MT of Potash. The details are given in the tables below:

**(ACTUALS FOR 2017-18 & ANTICIPATED FOR 2018-19)**

**NITROGEN:**

Plant	Units	Installed Capacity	Actual Prod. for 2017-18	Actual Prod. Upto Oct. 2018	Projected for 2018-19
<b>Complex</b>					
Production	'000 MT	117	71.74	49.49	82.50
Cap Utilizn	%		61.31%*	42%*	71%*
<b>Trombay Urea</b>					
Production	'000 MT	152	202.66	119.66	195.50
Cap Utilizn	%		133.5%	79%	128.79%
<b>Thal Urea</b>					
Production	'000 MT	920	948.20	521.27	907.69
Cap Utilizn	%		103.7%	57%	98.6%
<b>RCF Total</b>					
Production	' 000 MT	1189	1222.59	690.41	1185.69
Cap Utilizn	%		102.84%	58.08%*	99.74 %

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

**PHOSPHATE ( $P_2O_5$ ):**

Plant	Units	Installed Capacity	Actual Prod. for 2017-18	Actual Prod. Upto Oct. 2018	Projected for 2018-19
<b>Complex</b>					
Production	' 000 MT	117.00	71.74	49.49	82.50
Cap Utilizn	%		61.31%*	42.3 %*	70.51%*

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

**POTASH:**

Plant	Units	Installed Capacity	Actual Prodn. For 2017-18	Actual Prodn. Upto Oct. 2018	Projected for 2018-19
<b>Complex</b>					
Production	'000 MT	63.00	71.74	49.49	82.50
Cap Utilizn	%		113.87%	78.55%	130.95%

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

**7.9.2.1.2 Sales:**

- During the period April-October 2018, RCF sold around 17.88 lakh MT of Fertilizers corresponding to 7.13 lakh MT of Nitrogen, 0.59 lakh MT of Phosphate and 0.52 lakh MT of Potash.
- The sale of fertilizers (including bought-out products) from April to October 2017 was approximately 17.23 lakh MT corresponding to 7.01 lakh MT of Nitrogen, 0.62 lakh MT of

phosphate (as P<sub>2</sub>O<sub>5</sub>) and 0.37 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 55.2 Kilo Lit during the period April-October 2018. Sale of Microla was 238.78 Kilo Lit during April-October 2018. A total of 3554.88 MT of the specialty fertilizer called Sujala (Drip + Foliar variant) was sold during the period April-October 2018.

**7.9.2.2 Financial Performance:**

During the period April – September 2018, Company had sales turnover of Rs.4264.97 Crore against Rs.3324.78 Crore (sales are net of excise and Freight and discounts and includes subsidy) for same period in the year 2017-18. Between April to September 2018, Profit before Tax is Rs.70.99 Crore. For the same period between April to September in the year 2017-18, Profit before Tax was Rs.57.35 Crore.

**7.9.3 Performance Highlights****7.9.3.1 Achievements:**

Awards & Accolades



**RCF Trombay and Thal Unit, received State level Award for Excellence in Energy Conservation and Management (MEDA) for the year 2016-17 for the efforts taken for Energy Conservation and Management .**



**RCF Trombay Unit has won the coveted ICC “Excellence in Management of Environment Award” for the year 2016-17.**



**RCF Thal unit received National Safety Council's "Maharashtra Safety Award-2017" for achieving Lowest Accident Frequency Rate and Longest Accident Free Period in Chemicals & Fertilizers Industrial Group Highest Accident Free Days and "Zero Accident Frequency Rate" Award for the year 2017**



**RCF, Trombay Unit received the "Bombay Chamber Civic Award for Sustainable Environmental Initiatives" for the year 2017-18.**



RCF received award for excellent implementation of Rajbhasha Hindi at workplace



### 7.9.3.2: New Projects/Investments:

#### 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. With an objective to make Trombay unit self-dependent in terms of Process water requirement and enhance the reliability of operations, RCF along with M/s Bharat Petroleum Corporation Ltd. (BPCL) is setting up one more Sewage Treatment plant. A portion of the treated water will be supplied to BPCL. The plant capacity is to treat 22.75 MLD of raw sewage to generate 15 MLD of treated water. **Estimated project capital cost is about Rs.209.44 Crore and project is expected to be completed by April 2019.**

##### ii) **Gas Turbine (50 MW) at Trombay:**

With an aim to reduce the specific energy consumption in Ammonia and Urea Plants at Trombay, RCF is planning to install Gas Turbines (GT) at RCF, Trombay of 2 x 25 MW capacity with 2 x 65 TPH Heat Recovery Steam Generation (HRS) unit. The total power required by the unit is currently supplied by TATA

power and steam required to the complex is generated in the gas fired boilers. Work order for the project is placed on M/s Thermax for implementing the project on LSTK basis and basic Engineering activities are in progress. Expected Energy Saving is 0.3 Gcal/MT of Urea.

**Estimated Project Capital Cost: Rs. 426.72 Crore with expected completion period is April 2020**

##### iii) **Gas Turbine (50 MW) at Thal:**

To reduce the specific energy consumption in its Ammonia and Urea Plants, GT-HRSG project is commissioned in April 2018 in RCF Thal unit. RCF has installed Gas Turbine (GT) along with Heat Recovery Steam Generator (HRSG). Energy saving of 0.30 Gcal/MT of Urea is achieved till date and additional 0.05 Gcal/MT of Urea will be achieved by March, 2020 after installation of new motor driven ARC compressor.

##### iv) **Trombay Urea-V Plant Revamp - Casale Scheme:**

Revamp of Urea V plant by M/s Casale SA, Switzerland is being undertaken to achieve production to the tune of 1350 MTPD on sustained basis with reduction in energy consumption.

The revamp scheme is envisaged to result in energy saving of 0.19 Gcal/MT of Urea. Estimated project capital cost is

about Rs.137.03 Crore. Project is expected to be completed by April 2019.

v) **Ammonia – V Revamp KBR Scheme at Trombay Unit:**

Ammonia-V plant revamp (KBR scheme) includes replacement of heat exchangers in convection zone, drive turbine retrofitting of Synthesis Gas Compressor (SGC), ID Fan and provision of Ammonia dehydrator in synthesis section. The expected Energy saving after implementation of scheme is 0.36 GCal/MT of Ammonia.

**Estimated Project Capital Cost is Rs.101.98 Crore and expected to be commissioned by April 2020.**

vi) **Installation of new GT driven PAC IV at Thal Unit:**

Installation of higher Capacity Gas Turbine Driven Process Air Compressor and subsequently stopping of steam turbine driven PAC III & PAC I or PAC II. Expected energy reduction shall be 0.21 Gcal/MT Urea. Estimated Project Capital Cost: Rs.346.88 Crore. Anticipated Time Schedule: Completion 18 months from Zero Date.

vii) **ETP Up-gradation (Consultancy + Up-gradation) at Thal Unit:**

Up-gradation of Effluent Treatment Plant at RCF Thal is planned with aim of recycling effluent as raw water.

Approximately 75% to 80% of 12,500 m<sup>3</sup>/day effluent shall be treated and used as process water. **Estimated Project Capital Cost is Rs.119.2 Crore and expected time for commissioning is May 2021.**

**7.9.3.3 Revival of Sick Units/ Joint Venture Projects/:**

i) **Coal Based Fertilizer Project at Talcher:**

Under the scheme of revival of sick Fertilizer Units, RCF has been nominated by the Department of Fertilizers to be one of the three partners to revive Fertilizer Corporation of India (FCI) Unit at Talcher, Orissa through Coal Gasification route as the feedstock. RCF, Coal India Limited (CIL), GAIL and FCI have signed a Memorandum of Understanding (MOU) to put up a fertilizer complex at Talcher with capacity of 2200 MTPD Ammonia and 3850 MTPD Urea.

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.

Hon'ble PM inaugurated commencement



of work at TFL site on 22.09.2018. Estimated Project Capital Cost: Rs.11,611 Crore (+/-15%)

Anticipated Time Schedule:

Mechanical Completion	36 months from Zero date
Commissioning	41 months from Zero date

#### ii) **Revival of BVFCL–Namrup Unit**

DoF has nominated RCF along with Oil India Ltd., Govt. of Assam and BVFCL to form a joint venture for setting up Ammonia Urea project (Namrup IV) at BVFCL Assam. Proposed Equity holding of RCF in the project is 52% and of Oil India Ltd. (26%) Govt. of Assam (11%) and BVFCL (11%). Estimated project cost is Rs. 6927.51 Crore. The project comprises setting up Urea plant with annual capacity of 1.27 million MT per Annum & will help in meeting much needed Urea production capacity for the eastern part of the Country. The project is currently in the conceptual stage.

#### iii) **FACT-RCF Building Products Limited, Kochi:**

RCF has formed joint venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Limited to set up a Rapid wall Project at Kochi. RCF and FACT has 50:50 equity holding in the

Company. The company is building up its customer base and is in the process of stabilizing its operation by making special efforts on marketing of the product.

#### iv) **Algeria JV Project:**

India mostly depends on import for meeting its requirement of phosphatic fertilizers and raw material for phosphatic fertilizer industry. Algeria has huge reserve of rock phosphate. RCF along with National Fertilizer Limited, Gujarat State Fertilizers and Chemicals Limited and NMDC Limited is exploring the possibility of

1. Development and beneficiation of Rock mines in Algeria &
2. Setting up Phosphoric acid/ DAP plant with buy back arrangement

**Estimated Project Capital Cost is Rs. 5000 Crore. The project is in exploratory stage.**

#### v) **Participation in JV Project in Gabon:**

Republic of Gabon plans to set up green-field Ammonia-Urea fertilizer complex at Mandji Island near port – Gentil of West coast of Gabon. The Urea plant capacity is envisaged to be 1.27 MMTPA. Invitation to participate in Gabon Fertilizer Project comprising Ammonia-Urea fertilizer complex was received from DoF. Estimated Project Capital Cost: Rs.8700 Crore The project is in exploratory stage.

**7.9.4 Human Resource Management:****7.9.4.1 Number of Employees as on 1<sup>st</sup> November 2018:**

Group	Total as on 01.11.2018	SC	ST	OBC	PHP	Ex-Servicemen	Minority
<b>A</b>	1481	242	64	166	13	0	84
<b>B</b>	956	113	92	68	5	1	48
<b>C</b>	696	105	66	152	22	3	48
<b>D</b>	42	4	3	21	2	0	4
<b>Total</b>	<b>3175</b>	<b>464</b>	<b>225</b>	<b>407</b>	<b>42</b>	<b>4</b>	<b>184</b>

**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-Servicemen and Physically Handicapped Persons (PHP) are strictly followed. Out of total strength of 3175 there are 464 SC, 225 ST, 407 OBC, 4 Ex-Servicemen and 42 PHP on the rolls of Company.

**7.9.4.2 Grievance Redressal**

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.

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](http://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.

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.

**SC/ST Grievance Cell:**

All reserved category employees can anytime seek help/advice of Liaison Officers for resolving their grievances. A register is maintained for registering grievances of SC/ST employees by Liaison officers. The grievances are resolved expeditiously. The Grievance redressal cell of the company also takes care of grievances of all employees including employees of SC/ST category. SC/ST employees can also register their grievance in a register maintained under grievance handling procedure for all employees.

**Sexual Harassment Cell:**

RCF has constituted Internal Complaint Committee (RCF ICC) as per Section 21(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaint Committee investigates all the complaints of sexual Harassment received from female/male at workplace directly or through Management and submits its report to the Management. The Cell submits its Annual Report to the Concerned Authority as per the provisions of Sexual Harassment at Workplace Act, 2013. A declaration as required under the Act is also included in the Annual Report of the Company.

**7.9.4.3 Welfare Measures:**

Implementation of the National policy for Persons with Disabilities (PWD). Financial allocation for various programmes and progress achieved in the programmes:

RCF takes due care to implement the policies regarding people with disabilities. A Reservation Roster is maintained for PWD as per the rules in this regard. A separate Liaison Officer has been appointed for implementation of the policy for PWD.

**Welfare of Minorities and Reservation in Dealership:**

RCF as a policy includes representative of the Minorities in the Recruitment Selection Boards to ensure that the Minorities get adequate share in the services.

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

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.

Women are working in technical / non-technical / managerial positions and some of them have risen to the level of top management positions in the organization. Welfare and employee benefit schemes are equally applicable to male and female employees of RCF.

RCF is the pioneer in issuing 'Policy on Zero Tolerance to Sexual Harassment at Workplace and 'Policy on Gender Equality'. Internal Complaint Committee (ICC) has been formed in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Gist of the Committee's Report is published in Company's Annual Report.

All the benefits in accordance with the legal requirements such as Maternity Benefits, Nursing Breaks, etc. are given to women employees. Special Medical check-ups/camps for ladies are conducted. In addition to this, Maternity Leave has been extended up to 180 days, leave for miscarriage or medical termination of pregnancy is allowed up to 45 days. Child Adoption leave to female employee is allowed upto 90 days.

RCF is one of the pioneer members in the Forum of Women in Public Sector (WIPS) since its inception (1990). It is a corporate member of this forum and has been representing in all activities of the forum with total support and participation in all

activities.

RCF is the first PSU which conducted Participatory Gender Audit (recognised by International Labour Organisation). This was also one of the targets mentioned in MoU 2015-16 under HRM Performance Parameter. 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, the company has its Gender Equality Policy and Gender Budget has been provided for the activity of Gender Mainstreaming.

#### **7.9.4.4 Facilitating training for Make in India/ Start up India/ Skill India.**

##### **Training for Make in India, Startup India & Skill India:**

With an aim to support Start up India, Make In India drive of Government of India training programme are organised for Entrepreneurship development. Vendor Development & MSE meet is organized for Micro and Small Enterprises. Till date training is given to 175 participants through these initiatives.

RCF has been certified as Affiliated Training Provider and also received Certificate of Membership from Sector Skill Council, Instrumentation Automation Sector Skill Council (IASC) nominated by NSDC under Skill India

Mission. Chairman Shri Nagendra Goel, Instrumentation Automation Surveillance & Communication (IASC) also visited RCF to see the training facilities of RCF on 20<sup>th</sup> October 2018.

RCF has been certified as Affiliated Training Provider & awarded Certificate of Membership by Sector Skill Council - Instrumentation Automation Surveillance & Communication (IASC).

Training programs are organized regularly for imparting knowledge about plant operation, plant processes and maintenance, safety aspects for Diploma/ BSc students.

#### **Various skill development initiatives of RCF are as follows:**

- **Act Apprentice Act:** As per Apprentice Act 1961 (Act Amendment 2014), training is provided to Diploma Engineering, BSc (physics and chemistry) and 12<sup>th</sup> completed students. RCF currently has 155 number of act apprentices out of which 100 apprentices are registered in Regional Directorate of Apprenticeship (RDAT) and 55 apprentices are registered in Board of Apprenticeship Training (BOAT).
- **Adoption of local ITI to develop plant specific training module:** Two weeks Development training module was conducted for 32 Attendant Operator Chemical Plant (AOCP) and Mechanical Maintenance Chemical Plant (MMCP) trade students from Government ITI Ambarnath.
- **Short Term Skill Development programme:** RCF has signed Memorandum of Understanding (MoU) with various professional institutes for providing industry based practical training through process plant visit. Short term trainings ranging from 1 day to 1 week are arranged in this programme along with plant visit & technical sessions by plant experts.
- **Industrial Training:** Students pursuing engineering or diploma are provided industrial training during their summer and winter vacations for 15 days/ 1 month or more. This training provides them exposure to industrial working environment and also gives them a direction as to how to study further in their curriculum. Since April 2018 till date, industrial training has been provided to 969 students of Chemical/ Mechanical/ Instrumentation/ Electrical/ Electronics / Civil / Safety from colleges all over India.

**On Job Training:** In this, three months on the job training in the plants of RCF is given to Graduate engineers. This kind of training gives the students an exposure to the industrial working environment and also strengthens their technical knowledge and skills in their domain by working with the plant persons. On job training is provided to 36 students since April 2018 till date

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

For inclusive growth of the community, RCF has undertaken following initiatives:-

#### 7.9.5.1 Supply of Drinking Water to nearby Villages:

RCF has taken initiative for providing clean water to nearby villages of Thal unit. The maintenance of the water pipelines is also done by the Company. The stand posts have also been provided to these villages at prominent places. Total beneficiaries are more than 15,700 residents.

#### 7.9.5.2 Mobile Medical Van:

RCF, in collaboration with Wockhardt Foundation, runs mobile medical van facility in the Thal area. At Thal, on an average 7 villages are covered in weekly cycles by mobile vans.

#### 7.9.5.3 Medical Aid to Old people:

RCF is providing medical aid to Old people in collaboration with Shield organization.

#### 7.9.5.4 Youth and Social upliftment Programme -

Rural sports and cultural activities are organized in different villages to encourage participation by youths.

Bio-toilets are constructed to promote sanitation. RCF has undertaken several promotional activities to create awareness and to impart knowledge about scientific agricultural practices, use of city compost to farmers etc.

#### 7.9.5.5 Farmer Knowledge Centers:

RCF has two Farmers Knowledge Centres one at Nagpur (Maharashtra) and the other one at Thal (district Raigad, Maharashtra). Experts from Regional Agricultural Universities are regularly invited to give guidance to the farmers. Special programmes designed for women farmers and the scheduled caste and scheduled tribes are arranged on a regular basis.

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

#### 7.9.5.6 Soil Testing Services:

RCF is having the ten Static and six Mobile Soil Testing Laboratories located Pan-India. Also, RCF has procured and deployed ten 'Mridaparikshak' (Portable Soil Testing Kits) at RCF's Farmer's Knowledge Centres (FKC) at Thal & Nagpur and at strategic locations in the field for soil testing.

Soil samples are analysed for N-P-K and Micronutrient content. After soil analysis, the Soil Health Card is issued. Details of Soil sample analysed in the year 2016-17, 2017-18 and 2018-19 (Upto Oct 2018) is as below:

Soil sample analysed for	2016-17	2017-18	2018-19 (Upto October 18)
NPK analysis	113288	125306	52143
Micro Nutrient	23784	19135	8770
<b>Total</b>	<b>1,37,072</b>	<b>1,44,441</b>	<b>60,913</b>

**7.9.5.7 Kisan Suvidha Kendra:** RCF has established 150 “Kisan Suvidha Kendra”, Pan-India. These “Kisan Suvidha Kendra” are established in association with RCF's dealers. These centres help in empowering the farmers by acting as a collection point for soil, seed samples & handing over the Soil Health Card, give advisory services on Crop Cultivation Technology, weather report and provide many other such services.



किसान सुविधा केंद्र, मडगाव, ता. मडगाव, जि. जळगाव.



**7.9.5.8 Meeting with Farmers:** To disseminate the correct and advanced agricultural technology to the farming community, the farmers meetings are regularly organized by the company at the village level. The crop and product literature is distributed to them on these occasions. Information about government policies, use of fertilizer products for different crops is shared in these meetings.

**7.9.5.9 Krishi Melas and Exhibitions:** Krishi Melas are organized in areas where major crops and cash crops are cultivated. Agricultural Exhibitions are organized at block /district level especially during fairs/rural events considering the crops grown in the area with advanced and new package of practices.

**7.9.5.10 Live Field Demonstrations:** In order to educate the farmers on the scientific farming practices, demonstrations are organized on the fields of the farmers. For demonstration, RCF provides the required fertilizers at concessional rates to the farmers, apart from giving agriculture technological support.

**7.9.5.11 Facility of Toll-Free call facility (1800-22-3044):** RCF runs a customer care no. (022 – 2552 3044) and toll free helpline service called as RCF Kisan Care no. (1800-22-3044) to help farmers. Information regarding use of fertilizers, soil testing, crops, cultivation practices of different crops,

Variety, pest, disease, weed control, weather report, dealership, subscription of RCF Sheti Patrika etc. is given to the farmers. In the year 2017-18, 7537 calls were received.

**7.9.5.12 RCF Sheti-Patrika (Monthly Farmer knowledge magazine in Marathi):**

Monthly farm magazine “RCF Sheti Patrika” is published for farming community of Maharashtra. All the latest & current topics in Agriculture are covered in Sheti Patrika. The contents include latest information about cultural practices of crops, balanced use of fertilizers, importance of medicinal plants, vegetables & floriculture etc. At present RCF is Printing & Distributing 60,000 copies/month on complimentary basis to the farmers.

**7.9.5.13 Crop Literatures:** Over 10 Lakh copies of leaflets on Crop literature are printed in various languages & are distributed to the farmers during meetings, Seminars, exhibitions & other forums.

**7.9.5.14 Farmer Education Program on Doordarshan Sahyadri Channel:** RCF Capsule “Krishi Sammrudhi Chi Guru Killi” is a popular segment telecasted 5 days a week on Doordarshan Sahyadri Channel. Over the years RCF has produced various educative films for the farming community in their own languages.

**7.9.5.15 Farmers Education through Social Media:** RCF has social media presence on Facebook, Twitter, YouTube and Instagram. RCF regularly posts various educational posts/messages on its social media handle called RCF Kisan Manch.

**7.9.5.16 Mobile APP : RCF Kisan Manch:** RCF has launched comprehensive Mobile Application (App) named 'RCF Kisan Manch'. This APP is available in Marathi, Hindi & English.

**7.9.5.17 Community Radio:** RCF is using 'Community Radio' platform to educate the farmers on latest Agricultural practice & local agricultural problems through an Agriculture Concept base programme of 15 min. duration. The programme are broadcast on the prime time slot (08.15 hrs).

**7.9.5.18 Aspirational District - CSR**

As part of the action plan for Vision 2022 campaign, RCF has selected Osmanabad district of Maharashtra for CSR activities. However as per, tentative list of aspirational districts (circulated in CSR workshop held on 24<sup>th</sup> July 2018), Gaya district of Bihar was allotted to RCF. RCF has no office setup in Gaya and it will not be practical to carry out CSR activities there. Also the CSR budget amount of Rs. 6.82 Crore has been shown against RCF in the above referred list which is very much on higher side than the actual.



In this regard, RCF submitted letter no. RCF/DPE/CSR dt.27.07.2018 to DPE requesting for allotment of Osmanabad district in Maharashtra to RCF and rectification of CSR fund position.

DPE has now issued guidelines for CSR expenditure of CPSEs vide OM No. CSR-08/0002/2018-Dir(CSR) dated 10.12.2018 that the theme of this year CSR activities is school education and health care. CPSEs have to spend around 60 % of their annual CSR expenditure on this theme giving preference to 112 Aspirational districts identified by NITI Aayog.

Accordingly, we had a meeting with District Collector Osmanabad on 11.12.2018. District Administration, Osmanabad has identified one project pertaining to setting up of Mini Science Centres in Zilha Parishad Schools and the same is being considered for finalisation. Apart from this, District Collector has agreed to shortlist 3-4 projects within one week.

## **7.9.7 Initiatives for bringing improvement in the overall performance of the Company:**

### **7.9.7.1 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.

### **7.9.7.2 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.

**7.9.7.3 Initiative towards Paperless Organization:**

HR department is taking initiatives toward paperless office by implementing following practices:

- Implementation of online Leave approval system
- Implementation of online Performance Appraisal System for Officers
- Implementation of online Vigilance System
- Email Ids have been granted to unionized Cadre employees to improve communication
- Internet connection has been provided to officers in Senior Manager & above grade.
- Online submission of property return form for officers.
- Online submission of CR of unionized cadre employees.
- Online submission of PAR for GM and above level employees.

- Conducting interviews of eligible Marketing employees through video conferencing.

**7.9.7.4 HR initiatives to improve Superior Subordinate Relationship:**

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

- Mentor mentee relationship – Formal Mentorship scheme has been launched for candidates joining as Management Trainee. This is a one year program and helps the newly joined employee to get smoothly integrated with the organisation.
- Performance improvement plan – In case of poor /unsatisfactory performance, Performance Improvement Plan (PIP) is prepared. The PIP is finalised by the appraiser in consultation with the concerned appraisee. Review 1 and Review 2 is also done by Appraiser

**7.9.7.5 Creating HR Brand:**

- Introduction of Plant Coordinator
- Effective use of RCF web site / Intranet
- HR Help line for communication with employees and with general public.
- Introduction of leave bank Scheme

**7.9.7.6 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

#### 7.9.8 Swachhta Programme:

Swachh Bharat Abhiyan”, was formally launched in RCF on 2<sup>nd</sup> October'2014 in response to call given by our Honorable Prime Minister. Number of phases of “Swachh RCF Factory drives” are being

conducted in RCF every year since Oct 2014. RCF has whole heartedly organized a massive cleanliness campaign in Factory and Township premises with participation of employees as well as their families.

Under Swachha Bharat Mission, Swachhata Pakhwada was celebrated from 16<sup>th</sup> To 31<sup>st</sup> Aug 2018 and from 01<sup>st</sup> to 15<sup>th</sup> Sept 2018. “Swachhata Hi Seva” campaign was organized from 15<sup>th</sup> Sept to 02<sup>nd</sup> Oct 2018 in RCF Trombay, Thal and by marketing offices all over the India. All initiatives taken by RCF, as part of the Swachh Bharat initiative are recorded and made available on the RCF website/ twitter.



Tree plantation by the employees of RCF



Swachhta activities by the employees of RCF



MoU Signed Between Rashtriya Chemicals And Fertilizers Limited And  
Ministry of Chemicals and Fertilizers, Department of Fertilizers



## 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, 28 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 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 15<sup>th</sup> 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. 10 crore for this purpose has been allocated for the financial year 2018-19. Promotion of City Compost is a flexi programme of Government of India for which a Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban

Development and Department of Agriculture has been set up for coordination. For better coordination and promotion of city compost, States have been asked to constitute State Level Steering Committee. State Level Steering Committee has been constituted in 11 States. The year-wise production and sales of the city is as under:

Year	Production of city compost	Sale by marketing companies	Bulk Sale by manufacturing companies	Total sale	% increase in total sale from previous year
2016-17	196992.32	96584.00	-	96584.00	-
2017-18	340017.21	123569.87	75492.04	199061.91	106.1
2018-19 (April-Nov)	234515.7	121734.36	61643.64	183378.00	-

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

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

### **8.3 Use of Space technology in Fertilizer Sector**

**8.3.1** The Hon'ble Prime Minister in his address during Special Session of National Meet on promoting use of space technology in Governance and Development held on 7.9.2015, had emphasized the need to

institutionalize a mechanism for integrating space applications in governance and development.

**8.3.2** To make use of space technology in fertilizer sector, the Department of Fertilizers has taken an initiative to commission a three year Pilot Study on “Resource Mapping of Rock Phosphate using Reflectance Spectroscopy and Earth Observations Data” by National Remote Sensing Centre under ISRO in collaboration with Geological Survey of India(GSI) and the Atomic Mineral Directorate (AMD). The MoU for the propose study has been signed on 21.08.2017. Letter of Authorization for release of funds of Rs. 31.40 lakh has been issued by the Department of Fertilizers on 10.05.2018. The work on first phase is in progress.

#### **8.4 Soil Health Management (SHM) under National Mission for Sustainable Agriculture (NMSA)**

**8.4.1** Soil health management aims at promoting Integrated Nutrient Management (INM) through judicious use of chemical fertilizers including secondary and micro nutrients in conjunction with organic manures and biofertilizers to provide soil test based recommendations to farmers for improving soil fertility; ensuring quality control requirements of

fertilizers, biofertilizers and organic fertilizers under Fertilizer Control Order, 1985; upgradation of skill and knowledge of soil testing laboratory staff, extension staff and farmers through training and demonstrations; promoting organic farming practices etc.

**8.4.2** Laboratories (STLs), setting up of new Mobile STLs, strengthening of existing STLs, setting up of new Fertilizer Quality Control Laboratory (FQCL), strengthening of FQCL, setting up of fruit/vegetable agro waste compost production units, setting up of bio-fertilizer production units, setting up of Bio-fertilizer & Organic Fertilizer Quality Control Laboratories, promotion of organic inputs apart from trainings and demonstrations.

**8.4.3** During 2017-18, against BE of Rs. 450.00 crore and RE was Rs. 198.50 crore and expenditure of Rs. 194.24 crore was incurred. A total of 01 new static Soil Testing Laboratories (STLs), 08 new Mobile STLs, 3140 Mini Soil Testing Labs, strengthening of 163 existing STLs, 1 new Fertilizer Quality Control Laboratory (FQCL) were sanctioned apart from trainings and demonstrations on balanced use of fertilizers. During 2018-19, the BE is Rs.384.19 crore(Grant-in-Aid).





## CHAPTER- 9

# INTEGRATED FERTILIZER MONITORING SYSTEM

### 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 Management System-2016).

The details are as under:

### 9.2 Fertilizer Monitoring System (FMS)

The Fertilizer Monitoring System (FMS) [www.urvark.co.in](http://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. 1<sup>st</sup> September 2016.

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

#### **9.5 Development of iFMS**

The system was developed in consultation with the industry and other stakeholders. It

incorporates all the functionalities that were present in FMS & mFMS system.

#### **9.6 Functionalities in iFMS**

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

**1. Transactions :** Following transactional details are captured on the system. These are entered by the companies on a daily basis and thus system always provides latest information to the Department of Fertilizers and state governments at all points of time:

- Import of raw material / finished goods.
- Custom clearances
- Receipts of plant
- Production
- Dispatches from plant and Ports and Returns.
- Receipts.
- Sales
- Warehouse details

- Wholesaler details
- Claim generation

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

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

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

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

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

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

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

- Tracking of budgets both for P&K and Urea (Cash, bond, special banking arrangement)
- Generation of noting and sanction advice in the prescribed formats.
- Provision to split claims and generate supplementary claims
- Provision to split the sanction advice depending on the amount being actually disbursed.
- Provision to link the companies Bank guarantee and the amounts already utilized and available.
- Provision to link the Registration Certificate given by the state for the sale of Fertilizers, to prevent processing of claims in the case the

same has not been submitted to the department

**6. Public Domain:** The public domain of the system is ([www.mfms.nic.in](http://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 129 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/ Finish Good-wise/ Dispatch Report.
- State-wise/ Distt-wise/ Finish Good-wise/ Sales Report.
- District-wise-Distribution wise sale Report.
- Supply Plan Vs Actual Receipts.
- Requirement Vs Supply Plan

## 9.7 Release Order Module (R.O Module)

**9.7.1** R.O Module/ Vehicle Challan Module was incorporated in the iFMS system on 17<sup>th</sup> 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 Management System (iFMS) which enables the Department of Fertilizer to process the weekly subsidy bills raised by the manufacturing units.

Each successful sale transaction will generate two sale receipts, one for buyer and other for retailer for record purpose.

The generated bill also automatically informs the buyer the exact amount of subsidy that has been paid by the Government of India to the manufacturer or importer on his purchase.

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

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

#### 9.7.4 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 Public Information Officers constitution of Central Information Commission and State Information Commission, exclusion of certain organizations etc. came into force immediately. The remaining provisions of the RTI Act came into force on the 120<sup>th</sup> day of its enactment i.e. 12<sup>th</sup> October 2005.

**10.2** In compliance of the RTI Act, the Department has designated CPIOs and Appellate Authorities. The respective PSUs under the administrative control of the Department have been directed to ensure compliance of the RTI Act. Some of the important steps taken by the

Department in compliance of the Act are:-

- a. Created a separate link for RTI Act on its website <http://fert.nic.in> placing a handbook on RTI giving general information about the Department required under the Act.
  - b. Orders designating CPIOs and Appellate Authorities with required details are placed on the website, which are updated from time to time.
  - c. Counter opened at Public Information Centre of DoF at Room No. G-12, Ground Floor, A wing, Shastri Bhawan, for applications as well as prescribed fee under the RTI Act.
  - d. Appointment of Nodal Officer intimated to Department of Post enabling providing of services by that Department as CAPIOs across the country.
- 10.3** The Department has started registration of applications and appeals under the RTI Act on the Management



Information System (RTI-MIS) software available on the web-site of CIC (<http://rti.gov.in>).

- 10.4** The Department has started receiving RTI applications/Appeals on RTI web portal of DoPT, <http://rtionline.gov.in/RTIMIS>
- 10.5** During the year 2018-19, 543 applications

and 33 appeals were received physically and online out of which 485 applications and 21 appeals were disposed off during the year and the remaining 58 out of 543 applications and 12 out of 33 appeals are under process for sending reply to the applicants.

## CHAPTER- 11

# VIGILANCE ACTIVITIES

- 11.1** The Vigilance activities of the Department extend to the Department as well as to 9 public Sector Undertaking and three Joint Venture. The Vigilance Division is headed by Additional Secretary who is designated as Chief Vigilance Officer of the Department. The CVO is assisted by Director/ Deputy Secretary, Under Secretary and a Section Officer along with 4 vigilance staff. Vigilance related activities are carried out within the framework provided by the DoPT and CVC and Department of Public Enterprises. The Department plays a proactive role in ensuring the prompt disposal of the complaints and in framing preventive guidelines. Efforts are made by the Department to simplify the procedure in the PSUs to promote transparency in their working which reduces the chance of corruption.
- 11.2** “Vigilance Awareness Week” was celebrated in this Department from 29<sup>th</sup> October to 3<sup>th</sup> November 2018. 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 2017 have been finalized and sent to CBI. Further, regarding complaints received in Vigilance Division of this Department, as on 01.01.2018, there were 23 complaints from various sources including the ones received from CVC. 5 more complaints were received during the year,2018. 19 complaints were disposed of in the year 2018. 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 Policy of the Union. The work pertaining to the progressive use of Hindi in the Department, its attached office and 09 PSUs is under the administrative control of Joint Secretary (PS). For his assistance, posts of two Deputy Directors (OL), two Assistant Directors (OL), three Senior Translators & one Junior Translator are created. Department of Fertilizers continued its efforts towards greater use of Hindi in official work during 2018-2019 keeping in view the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs for implementation of the Official language policy of the Union.

12.1.2 All the 260 Computers (PCs) in the

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

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

In pursuance of the official language policy of the Govt. of India, all documents covered under section 3(3) of the Official Language Act, 1963 are being issued both in English and Hindi. In order to ensure correspondence in Hindi to Central Government offices located in Region 'A', 'B' and 'C', action plan based on the checkpoints identified in the Department has been prepared to ensure compliance of the official language policy.

All the letters received in Hindi are invariably replied to in Hindi. Efforts are also being made to reply the letters in Hindi which are received in English from region 'A' & 'B'. Efforts to increase the original correspondence in Hindi with the state governments are also being made.

### 12.3 Hindi Training

The Department prepares a time bound programme to impart in-service training to all its officers/employees who do not possess working knowledge of Hindi/Hindi Stenography/Hindi Typing. Four stenographers of the department are yet to be imparted Hindi stenography training. They will be nominated for the training in near future.

### 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 2018-19 was received and circulated to its sections and PSUs/office under the administrative control of the Department.

### 12.6 Official Language Implementation Committee (OLIC)

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

### 12.7 Hindi Salahkar Samiti

With a view to render advice for effective implementation of the official language policy of the Government, 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 16.07.2018 in New Delhi.

### 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, 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, 2018 to 28th September, 2018, various competitions such as Hindi Essay writing, Hindi typing, short extempore speech in Hindi, noting and drafting in Hindi (separately for Hindi and non-Hindi speaking employees) General Knowledge and Rajbhasha Prashnottary in Hindi were organized. Officers/employees took part

very enthusiastically in these competitions and 37 officers/employees won prizes. Prizes are distributed by Hon'ble, Secretary (F).

### **12.11 Hindi Workshops**

During the year, 02 Hindi workshops for Section Officers/PSs/Assistant Section officers/DEO's were organized in the Department to overcome the hesitation of working in Hindi and encourage the officials to do their more and more work in Hindi. 33 officers/employees participated in these workshops.

### **12.12 Inspections regarding progressive use of Hindi**

In order to oversee the implementation of the official language seven sections of the department and 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 05 offices of PSUs under the administrative control of the Department. Joint Secretary (Admn), Deputy Secretary and Assistant Director (OL) represented the Department in these inspection meetings.



In the chair Hon'ble Minister Shri ANANTH KUMAR during the meeting of Hindi Salahakar Samiti of the Ministry of Chemicals and Fertilizers organized in New Delhi on 16.07.2018



Shri Umesh Dhattrak, CMD, RCF receiving “RAJBHASHA SHIELD” from Hon'ble Member of Parliament Md. Badrudduja Khan during the meeting of Hindi Salahakar Samiti of the Ministry of Chemicals and Fertilizers organized in New Delhi on 16.07.2018



**Smt. BHARTI S. SIHAG, Secretary (Fertilizers) addressing the HINDI PAKHWADA Prize Distribution Ceremony organized in the Department of Fertilizers.**





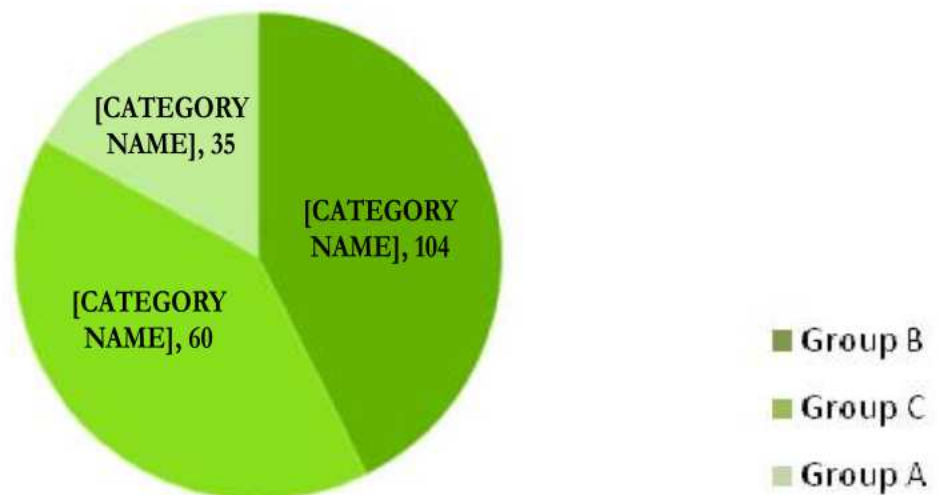
## CHAPTER- 13

# 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



#### Women Empowerment

**13.2.1** Following the promulgation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [SHWW(PPR) Act] and

notification of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 [SHWW(PPR) Rules] on 09/12/2013, the

Government has notified the amendments to Central Civil Services (Conduct) Rules 1964 and Classification, Control and Appeal Rules 1965 on 19/11/2014.

**13.2.2** As per the extant guidelines, complaint committee mechanism provided under Vishakha guidelines relating to sexual harassment is strictly followed in the Department. The Committee is headed by a women officer namely Ms.Rekha Sharma

who is working as Deputy Secretary in this Department. The committee comprises of 6 member including Chairperson, out of which one member is recruited from outside Department, preferably from an NGO working for the welfare of women. The Committee meets at least once in every quarter. In the year 2018-19 (up to 01/12/2018) no sexual harassment case was reported.

## 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/CPENG-RAMS> (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 2018-19 Department of Fertilizers, received 610\* public grievance cases (as on 24/12/2018), directly or through other Departments, out of which 546\* cases were disposed and 64\* cases are at different stages of processing.

\* tentative figures.

### 14.4 E-Samiksha

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

it is monitored at Joint Secretary/ Secretary level.

#### **14.5 PRAGATI (Pro-Active Governance And Timely Implementation)**

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

#### **14.6 Swachh Bharat Mission: Swachhta**

Pakhwada was observed in the Department of Fertilizers from 1<sup>st</sup> September, 2018 to 15<sup>th</sup> September, 2018 under Swachh Bharat Mission. Various activities performed during this period are as under:

- (i)** Message of Hon'ble Minister (C&F) relating to Swachhta pakhwada was placed on Department of Fertilizer's website.
- (ii)** Swachhta pledge was administered by Secretary (F) among staff of Department of Fertilizers.



(iii) Saplings were planted at nearby places of the office premises by the staff of Department of Fertilizers. Staff of Dof taking pledge



Plantation of sapling by Secretary (F)



AS (DP) planting a sapling



Plantation of sapling by AS & FA

- (iv) Shram Daan for cleanliness of nearby places at Boat Club by the employees of Department of Fertilizers.





Shram Daan



Staff doing Shram Daan under the supervision of DS (Coord. & Vig.)

- (v) Banners and messages for creating awareness about the necessity of Swachhta and refusing plastic made products in the corridors of Shastri Bhawan.

## CHAPTER- 15

# AUDIT REPORT -16

### 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.**

Fertilizer Industry Coordination Committee (FICC) instituted a revised procedure (26 March 2004) for submission of bills for payment/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 amount<sup>1</sup> was required to be deposited by

these units within a period of 45 days. Delayed credits attracted interest at the rate of 3 per cent 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	Rate of notification of de-escalation	Due date by which the differential amount was in the 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 descalation (. In crore)	Prime lending rate on the due date	Rate of interest required to be levied ( 3 percent above SBI prime lending rate)	Non recovery of interest (In crore) <sup>2</sup>
	(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
		06.11.2015	20.02.2015	06.04.2015	44	53.14	14.75	17.75	1.14
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	05.12.2015	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 Limited-Vijaipur-II	11.12.2012	25.01.2013	16.04.2013	80	116.89	14.75	17.45	0.86
		10.02.2015	27.03.2015	07.04.2015	10	178.55	14.45	17.45	1.97
6.	National Fertilizers Limited-Bathinda	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
					<b>TOTAL</b>	<b>1506.03</b>			<b>25.78</b>

<sup>1</sup>Difference between net realization and rate of concession

<sup>2</sup>Calculation of non-recovery of interest = (Col. F x Col. H x Col. E)/(100 x 365)

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 non-availability 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 and 2017-18 are at Annexure- XXIX.**



# **ANNEXURES**

## **(I-XXIX)**

## ANNEXURE - I

### UNIT-WISE INSTALLED/REASSESSED CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING 2017-18 & ESTIMATED PRODUCTION DURING 2018-19

(Fig. In 'LMT')

NAME OF PLANTS	PRODUCT NAME	Installed/Reassessed Capacity (as on 01.04.2018)	PRODUCTION DURING 2017-18	ESTIMATED PRODUCTION DURING 2018-19 *
<b>PUBLIC SECTOR</b>				
NFL:Nangal-II	Urea	4.79	5.43	5.11
NFL:Bhatinda	Urea	5.12	5.63	6.04
NFL:Panipat	Urea	5.12	5.60	5.74
NFL:Vijaipur	Urea	8.65	10.44	10.58
NFL:Vijaipur Expn.	Urea	8.65	10.88	11.85
<b>Total(NFL):</b>		<b>32.31</b>	<b>37.97</b>	<b>39.32</b>
BVFCL:Namrup-II	Urea	2.40	0.58	0.62
BVFCL:Namrup-III	Urea	<b>3.15</b>	2.12	2.38
<b>Total(BVFCL):</b>		<b>5.55</b>	<b>2.70</b>	<b>3.00</b>
FACT:Udyogamandal	A/S	2.25	1.84	1.16
	20:20	1.49	1.81	1.10
FACT:Cochin-II	20:20	4.85	4.87	4.61
<b>Total(FACT):</b>		<b>8.59</b>	<b>8.52</b>	<b>6.87</b>
RCF:Trombay V	15:15:15	4.20	4.78	5.50
	10:26:26	0.00	0.00	0.38

<b>RCF:Trombay-V</b>	20.8:20.8	0.00	0.00	0.00
	20:20	2.70	0.00	0.00
<b>RCF:Trombay-V</b>	Urea	3.30	4.41	4.16
<b>RCF:Thal</b>	Urea	17.07	20.61	19.63
<b>Total(RCF):</b>		<b>27.27</b>	<b>29.80</b>	<b>29.67</b>
<b>MFL:Chennai</b>	Urea	4.87	4.19	4.13
	20:20	0.00	0.00	0.00
	19:19:19	0.00	0.00	0.00
	17:17:17	8.40	0.62	0.66
<b>Total(MFL):</b>		<b>13.27</b>	<b>4.81</b>	<b>4.79</b>
<b>Total (PUBLIC SECTOR):</b>		<b>86.98</b>	<b>83.80</b>	<b>83.65</b>
<b>COOPERATIVE SECTOR</b>				
<b>IFFCO:Kandla</b>	10:26:26	5.15	6.75	6.73
	12:32:16	7.00	6.85	9.39
	12:32:16:0.5Zn	0.00	0.00	0.00
	DAP	12.00	6.69	4.09
<b>Total(Kandla):</b>		<b>24.15</b>	<b>20.29</b>	<b>20.21</b>
<b>IFFCO:Kalol</b>	Urea	5.45	6.02	5.82
<b>IFFCO:Phulpur-I</b>	Urea	5.51	7.26	6.63
<b>IFFCO:Phulpur-II</b>	Urea	8.65	9.55	10.29
<b>IFFCO:Aonla</b>	Urea	8.65	8.96	11.21
<b>IFFCO:Aonla- II</b>	Urea	8.65	9.31	10.70

(IFFCO ALL UNITS):		61.05	61.38	64.86
<b>IFFCO:Paradeep</b>	DAP	15.00	12.78	10.79
	12:32:16	1.60	0.13	0.00
	20:20	1.00	4.30	5.21
	10:26:26	1.60	0.04	0.00
<b>Total(Paradeep):</b>		19.20	17.24	16.00
<b>KRIBHCO:Hazira</b>	Urea	17.29	22.54	23.43
<b>Total (COOP. SECTOR):</b>		97.54	101.16	104.29
<b>Total (PUB+COOP):</b>		184.52	184.96	187.93
<b>Note: * Actual Production during April, 2018 to November, 2018 and target from December, 2018 to March, 2019</b>				

Sources : mfms.nic.in as on 5.12.2018

Private Sector				
(Fig. In 'LMT')				
NAME OF PLANTS	PRODUCT NAME	Installed/Reassessed Capacity (as on 01.04.2018)	PRODUCTION DURING 2017-18	ESTIMATED PRODUCTION DURING 2018-19 *
<b>GSFC:Vadodara</b>	Urea	3.71	3.11	3.56
	A/S	2.28	3.73	3.94
	DAP	0.00	0.00	0.00
	20:20	2.00	2.62	4.37
<b>Total(GSFC Badodara):</b>		7.99	9.46	11.87
<b>GSFC:Sikka-I</b>	DAP	7.22	5.04	4.16



	10:26:26	0.00	0.31	0.36
	20:20	0.00	0.20	0.27
	12:32:16	0.00	1.24	1.73
<b>GSFC:Sikka-II</b>	DAP	0.00	0.00	0.00
<b>Total(GSFC Sikka):</b>		<b>7.22</b>	<b>6.79</b>	<b>6.51</b>
<b>CIL:Vizag</b>	28:28	0.00	4.75	4.34
	20:20	10.00	5.65	5.77
	14:35:14	0.00	0.00	0.00
	17:17:17	0.00	0.09	0.00
	UAP 20:20	0.00	0.28	0.34
	24:24:0,	0.00	0.00	0.71
	10:26:26	0.00	0.00	0.00
	DAP	0.00	0.00	0.00
<b>Total(CIL Vizag):</b>		<b>10.00</b>	<b>10.77</b>	<b>11.15</b>
<b>SFC:Kota</b>	Urea	3.80	4.10	3.81
<b>KFCL:Kanpur</b>	Urea	7.23	7.23	6.59
<b>ZACL:Goa</b>	Urea	3.99	4.73	4.26
	DAP	3.90	2.18	1.60
	19:19:19	3.93	0.66	0.71
	10:26:26	0.00	3.47	3.94
	14:35:14	0.00	0.00	0.18
	12:32:16	0.00	0.58	1.41
<b>Total(ZACL):</b>		<b>11.82</b>	<b>11.61</b>	<b>12.09</b>

<b>SPIC:Tuticorin</b>	Urea	6.20	6.59	6.51
Greenstar Fert. Ltd.	DAP	3.47	2.92	2.47
	20:20	2.59	2.47	1.85
	17:17:17	0.00	0.00	0.00
<b>Total(SPIC+GFL):</b>		12.26	11.98	10.82
<b>MCFL:Mangalore</b>	Urea	3.80	4.19	3.88
	DAP	2.20	1.81	1.08
	16:20	0.00	0.00	0.00
	20:20	0.40	0.85	1.72
	10:26:26	0.00	0.00	0.00
<b>Total(MCFL):</b>		6.40	6.85	6.69
<b>GNFC:Bharuch</b>	Urea	6.37	6.49	6.31
	20:20	1.43	2.17	2.01
<b>Total(GNFC):</b>		7.79	8.66	8.32
<b>CIL:Ennore</b>	16:20	3.00	1.32	2.51
	20:20	0.00	0.23	0.30
<b>Total(CFL:Ennore):</b>		3.00	1.54	2.81
<b>Smartchem/DFCL:Taloj a</b>	24:24:0,	3.00	1.98	2.05
	10:26:26	0.00	1.86	1.88
	12:32:16	6.00	0.88	0.93
	20:20	0.00	0.93	1.02
	16:16:16,	0.00	0.00	0.00

<b>Total: DFCL</b>		9.00	5.65	5.88
<b>TCL:Haldia</b>	DAP	6.65	1.04	2.10
	10:26:26	0.00	2.41	3.75
	12:32:16	0.00	0.38	0.47
	20:20	0.00	0.00	0.00
<b>Total(TCL):</b>		6.65	3.83	6.53
<b>CIL:Kakinada</b>	DAP	19.25	5.42	6.37
	12:32:16	0.00	0.00	0.00
	10:26:26	0.00	3.29	2.83
	28:28	0.00	0.83	1.02
	14:35:14	0.00	3.07	3.22
	17:17:17	0.00	0.21	0.00
	20:20	0.00	3.66	4.46
	14:28:14	0.00	0.00	0.00
<b>Total (Kakinada):</b>		19.25	16.47	<b>17.90</b>
<b>NFCL:Kakinada</b>	Urea	5.97	7.99	4.81
<b>NFCL:Kakinada Expn.</b>	Urea	5.97	7.92	4.60
<b>Total(NFCL):</b>		11.95	15.90	9.40
<b>Grasim/ IGFL:Jagdishpur</b>	Urea	8.65	11.84	11.35
<b>Hindalco .:Dahej</b>	DAP	4.00	2.05	3.41
<b>CFCL:Gadepan-I</b>	Urea	8.65	11.38	10.62
<b>CFCL:Gadepan-II</b>	Urea	8.65	9.56	10.47
<b>CFCL:Gadepan-III</b>	Urea			2.76

<b>Total(CFCL):</b>		17.29	20.93	23.85
<b>TCL:Babrara</b>	Urea	8.65	12.48	12.94
<b>KFL/KSFL:Shahjahanpur</b>	Urea	8.65	9.01	9.94
<b>PPL:Paradeep</b>	DAP	7.20	6.58	6.85
	20:20	0.00	4.82	4.52
	15:15:15	0.00	0.00	0.00
	12:32:16	0.00	0.45	0.00
	10:26:26	0.00	0.74	0.71
	14:35:14	0.00	0.00	0.00
<b>Total(PPL):</b>		7.20	12.59	12.07
<b>Matix Group. Cor.</b>	Urea	12.71	0.11	2.76
PPL-CFCL	12:32:16		0.03	0.00
SSP Units	SSP	120.85	38.75	69.09
<b>Total (PRIVATE SECTOR):</b>		312.33	228.63	265.78
<b>Total (PUB+COOP+PVT):</b>		<b>496.85</b>	<b>413.59</b>	<b>453.71</b>

Note: \* Actual Production during April, 2018 to November, 2018 and target from December, 2018 to March, 2019

Sources : mfms.nic.in as on 5.12.2018

## ANNEXURE - II

### PRODUCT-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING 2017-18 AND ESTIMATED PRODUCTION DURING 2018-19

PRODUCT NAME	Installed/Reassessed Capacity (as on 01.04.2018)	PRODUCTION DURING 2017-18	ESTIMATED PRODUCTION DURING 2018-19*
UREA	220.25	240.23	240.71
A/S	4.53	5.57	5.10
DAP	80.89	46.50	42.91
SSP	120.85	38.75	69.09
20:20	26.45	34.58	37.19
15:15:15	4.20	4.78	5.50
20.8:20.8	0.00	0.00	0.00
17:17:17	8.40	0.92	0.66
10:26:26	6.75	18.87	20.58
12:32:16	14.60	10.52	13.92
12:32:16:0.5Zn	0.00	0.00	0.00
14:35:14	0.00	3.07	3.61
19:19:19	3.93	0.66	0.71
28:28	0.00	5.58	5.36
24:24:0,	3.00	1.98	2.76
16:16:16,	0.00	0.00	0.00
UAP 20:20	0.00	0.28	0.34

16:20	3.00	1.32	2.51
<b>TOTAL:</b>	<b>496.85</b>	<b>413.59</b>	<b>450.94</b>
Complexes:	70.33	82.54	93.14

**SECTOR-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING 2017-18  
AND ESTIMATED PRODUCTION DURING 2018-19**

<b>SECTOR NAME</b>	<b>Installed/Reassessed Capacity (as on 01.04.2018)</b>	<b>PRODUCTION DURING 2017-18</b>	<b>ESTIMATED PRODUCTION DURING 2018-19*</b>
<b>Public</b>	86.98	83.80	83.65
<b>Cooperative</b>	97.54	101.16	104.29
<b>Private</b>	312.33	228.63	265.78
<b>TOTAL</b>	<b>496.85</b>	<b>413.59</b>	<b>453.71</b>

Note: \* Actual Production during April, 2018 to November, 2018 and target from December, 2018 to March, 2019

Sources : mfms.nic.in as on 5.12.2018

## ANNEXURE - III

## PRODUCTION OF UREA, DAP & COMPLEX FERTILIZERS FROM 2001-02 TO 2018-19 (upto November, 2018)

(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	240.23	46.50	82.57	369.30
2018-2019 (Upto November 2018)	156.28	22.77	60.93	239.98

## ANNEXURE - IV

## PLANT-WISE ACTUAL PRODUCTION

NAME OF PLANTS	Annual Reassessed Capacity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (upto November 18)
		Actual	Actual	Actual	Actual	Actual	Actual
<b>PUBLIC SECTOR:</b>							
NFL:Nangal-II	4.79	3.95	4.79	5.46	5.02	5.43	3.52
NFL:Bhatinda	5.12	5.60	5.61	5.48	5.68	5.63	4.11
NFL:Panipat	5.12	5.11	5.12	5.67	5.43	5.60	3.80
NFL:Vijaipur	8.65	10.06	9.51	9.90	10.58	10.44	6.99
NFL:Vijaipur Expn.	8.65	11.62	11.38	11.46	11.39	10.88	8.04
<b>Total(NFL):</b>	<b>32.31</b>	<b>36.35</b>	<b>36.39</b>	<b>37.98</b>	<b>38.10</b>	<b>37.97</b>	<b>26.46</b>
BVFCL:Namrup-II	2.40	0.71	0.98	0.66	0.60	0.58	0.31
BVFCL:Namrup-III	3.15	2.35	2.61	2.56	2.50	2.12	1.45
<b>Total(BVFCL):</b>	<b>5.55</b>	<b>3.06</b>	<b>3.59</b>	<b>3.23</b>	<b>3.11</b>	<b>2.70</b>	<b>1.75</b>
RCF:Trombay-V	3.30	3.53	4.24	4.52	4.08	4.41	2.97
RCF:Thal	17.07	19.93	21.78	20.98	21.44	20.61	12.63
<b>Total(RCF):</b>	<b>20.37</b>	<b>23.46</b>	<b>26.02</b>	<b>25.50</b>	<b>25.52</b>	<b>25.02</b>	<b>15.60</b>
MFL:Chennai	4.87	4.87	3.29	4.09	4.68	4.19	2.39
<b>TOTAL PUBLIC SECTOR:</b>	<b>63.09</b>	<b>67.74</b>	<b>69.29</b>	<b>70.80</b>	<b>71.41</b>	<b>69.88</b>	<b>46.21</b>
<b>COOP. SECTOR:</b>							
IFFCO:Kalol	5.45	6.00	5.97	6.01	6.02	6.02	3.82
IFFCO:Phulpur	5.51	6.52	5.78	7.58	6.32	7.26	4.18
IFFCO:Phulpur Expn.	8.65	9.51	8.84	10.54	9.92	9.55	6.63
IFFCO:Aonla	8.65	11.03	10.47	11.33	10.69	8.96	7.46
IFFCO:Aonla Expn.	8.65	10.74	10.21	11.23	10.34	9.31	7.66
<b>Total(IFFCO):</b>	<b>36.89</b>	<b>43.80</b>	<b>41.27</b>	<b>46.68</b>	<b>43.27</b>	<b>41.09</b>	<b>29.74</b>



KRIBHCO:Hazira	17.29	22.10	22.25	22.68	23.53	22.54	15.70
<b>TOTAL COOP. SECTOR:</b>	<b>54.19</b>	<b>65.90</b>	<b>63.51</b>	<b>69.36</b>	<b>66.81</b>	<b>63.64</b>	<b>45.44</b>
<b>Total (Pub.+Coop.)</b>	<b>117.28</b>	<b>133.64</b>	<b>132.80</b>	<b>140.15</b>	<b>138.21</b>	<b>133.51</b>	<b>91.65</b>
<b>PRIVATE SECTOR:</b>							
GSFC:Vadodara	3.71	3.22	3.52	3.61	3.59	3.11	2.40
SFC:Kota	3.80	4.03	3.97	4.01	3.94	4.10	2.54
KFCL (DIL):Kanpur	7.23	3.13	6.41	7.17	7.23	7.23	4.27
ZACL:Goa	3.99	3.76	3.63	4.00	4.65	4.73	2.63
SPIC:Tuticorin	6.20	2.86	4.92	6.20	5.63	6.59	4.87
MCF:Mangalore	3.80	3.79	2.51	3.80	3.80	4.20	2.52
GNFC:Bharuch	6.37	6.96	7.04	6.91	6.90	6.49	3.96
Grasim/IGF:Jagdishpur	8.65	10.36	10.22	12.08	11.61	11.84	7.32
NFCL:Kakinada-I	5.97	6.47	3.48	6.31	7.88	7.98	1.99
NFCL:Kakinada-II	5.97	7.80	5.83	7.11	7.10	7.92	1.96
CFCL:Gadepan-I	8.65	9.91	9.76	10.91	9.66	11.38	7.52
CFCL:Gadepan-II	8.65	9.51	8.76	10.35	10.36	9.56	6.92
CFCL:Gadepan-III							0.01
YARA/TCL:Babrara	8.65	11.37	12.50	12.31	12.14	12.48	8.70
KFL/KSFL:Shahjhanpur	8.65	10.35	10.50	9.83	9.32	9.01	7.03
Matix Fertilizers and Chemicals Ltd.			0.00	0.00	0.00	0.11	0.00
<b>TOTAL PRIVATE SECTOR:</b>	<b>90.26</b>	<b>93.52</b>	<b>93.05</b>	<b>104.60</b>	<b>103.79</b>	<b>106.72</b>	<b>64.63</b>
<b>TOTAL(PUB.+COOP.+PVT.):</b>	<b>207.54</b>	<b>227.15</b>	<b>225.85</b>	<b>244.75</b>	<b>242.01</b>	<b>240.23</b>	<b>156.28</b>

Sources: mfms.nic.in as on 06.07.2018

## 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 01/01/2019)

<b>Minister (C&amp;F)</b>	Sh. D. V. Sadananda Gowda
<b>Minister of State for C&amp;F</b>	Sh. Mansukh L. Mandaviya
<b>Minister of State for C&amp;F</b>	Sh. Rao Inderjit Singh
<b>Secretary</b>	Sh. Chhabilendra Roul
<b>Additional Secretary</b>	Sh. Dharam Pal
<b>Additional Secretary &amp; Financial Adviser</b>	Ms. Alka Tiwari
<b>Joint Secretaries</b>	Ms. Gurveen Sidhu Sh. Partha Sarthi Sen Sharma
<b>Economic Adviser</b>	Sh. Lalsanglur
<b>Directors &amp; equivalent Officers</b>	Sh. Anil Kumar V Patil Sh. Prabhas Kumar Sh. Niranjana Lal Sh. Vinay Kumar Pandey Dr. Kavitha Gotru Sh. G Venkatesh Sh. V Sreenivas Sh. Manohar Vishwanath Nemade
<b>Deputy Secretaries &amp; equivalent Officers</b>	Sh. Rakesh Kumar Sh. S M Gupta Sh. Vikrant Sachdeva Smt. Rekha Sharma Sh. J. Daniel Godfrey
<b>Chief Controller of Accounts Controller of Accounts</b>	Sh. Siya Saran 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 Fertilizers 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 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.	Tusnesia-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

### DETAILS OF FEED STOCK USED AND REASSESSED CAPACITY

S. No.	Unit	Location	Sector	Reassessed Capacity (MT)
<b>Gas Based Units</b>				
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
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
	<b>Naphtha Based Units</b>			
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.	Matix 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 25<sup>th</sup> 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 2<sup>nd</sup> 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 1<sup>st</sup> June 2015 to 31.3.2019. The provisions of existing Modified NPS-III and New Investment Policy 2008 shall continue till 31<sup>st</sup> 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-Babrala, 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 1<sup>st</sup> June, 2015 to 31<sup>st</sup> March, 2018.

### 3. Revised Energy Norms for three years (2015-16 to 2017-18)

3.1 For the year 2015-16 (from 1<sup>st</sup> 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 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,

8<sup>th</sup> 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 15<sup>th</sup> October, 2015.

To

The Executive Director  
Fertilizer Industry Coordination Committee  
8<sup>th</sup> 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 25<sup>th</sup> May, 2015 communicating the salient features and modalities for implementation of New Urea Policy-2015 (NUP-2015) w.e.f. 1<sup>st</sup> June, 2015 and to notify the revised energy norms for the period 1<sup>st</sup> June 2015 to 31<sup>st</sup> 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 1<sup>st</sup> 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.

S. No.	Name of Urea units	Reassessed Capacity (MT/year)	Energy Norm (G. Cal/MT)		
			NPS-III Pre-set Energy Norms	For the period 01 <sup>st</sup> June, 2015 to 31 <sup>st</sup> March, 2018	For the year 2018-19
<b>Group-I</b>					
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-Babrala	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
<b>Group-II</b>					
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
<b>Group-III</b>					
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 25<sup>th</sup> 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 25<sup>th</sup> May, 2015.

## ANNEXURE - XI

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

Shastri Bhawan, New Delhi  
Dated the 7<sup>th</sup> April, 2017

TO  
CMD/MDs  
RCF/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/TCL/ZACL/IND  
O-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 25<sup>th</sup> 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 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 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 NUP2015 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)

Tele : 011-23386800

Copy to:

The Executive Director,

Fertilizers Industry Coordination Committee

08<sup>th</sup> 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 17<sup>th</sup> June, 2015.

The Executive Director,

Fertilizer Industry Coordination Committee (FICC) 8<sup>th</sup> Floor, Sewa Bhawan,  
New Delhi.

**Subject: Continuation of production of urea from Madras Fertilizers Limited (MFL)-Manali, Mangalore Chemical and Fertilizers Limited (MCFL)-Mangal ore and Southern Petro chemical Industries Corporation Ltd.(SPIC)-Tuticorin using Naphtha as feed stock till gas connectivity and availability of gas to the urea manufacturing units-reg.**

Sir,

In continuation of this Department's letter of even number dated 7<sup>th</sup> January, 2015, I am directed to state that the competent authority has now accorded approval to continue the operation of these three a fore said plants using Naphtha as feed stock 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 the plants get assured supply of gas either by gas pipe line 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 (17<sup>th</sup> 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, which ever is lower.

3. The concession rate for the seplants will be determined notionally on the basis of weighted average of the delivered cost of RLNG to there cently converted plants after deducting state taxes (VAT, Entrytax) 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, which ever is lower.

4. The compensation for other variable coste.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 here by regularized from 17<sup>th</sup> April, 2015 and 24<sup>th</sup> April, 2015 respectively and the units will be eligible for subsidy on urea production for this period on existing provisions a son 16<sup>th</sup> April, 2015 till the issue of this notification (17<sup>th</sup> June, 2015).

7. The specific energy consumption norms for these 3 units from financial year 2018-19 will be 6.5G.Cal/MTof 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 12012/1/2015-FPP  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

New Delhi,  
Dated the 28<sup>th</sup> March, 2018

To

CMD/MDs

RCF/MFL/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/YFIL/ZACL/GIL/SPIC/KFL/MCFL/KFCL

All Urea Manufacturing Units.

**Subject Revision of Energy Norms under New Urea Policy (NUP) – 2015.**

Sir,

I am directed to refer to this Department's letter No 12012/1/2015-FPP dated 25<sup>th</sup> May, 2015 regarding implementation of New Urea Policy (NUP) – 2015 and letter No 12018/4/2014-FPP dated 17<sup>th</sup> June, 2015 regarding continuation of production of Urea by MFL, MCFL & SPIC using Naphtha as feedstock till connectivity of gas pipeline is obtained and to convey the approval on the following decisions with regard to Target Energy Norms given to all urea manufacturing units (except BVFCL):

- (i) For 11 urea manufacturing units viz., YFIL, NFL-Vijaipur-II, GIL, CFCL-Gadepan-I & II, IFFCO-Aonla-II, RCF-Thal, IFFCO-Kalol, IFFCO-Aonla-I, IFFCO-Phulpur-I & II, the target energy consumption norms as mentioned in Para 3.2 of NUP – 2015, will come into force w.e.f. 1<sup>st</sup> April, 2018.
- (ii) The existing norms under New Urea Policy-2015 for remaining 14 urea manufacturing units viz., NFL Vijaipur-I, KRIBHCO-Hazira, KFL-Shahjahanpur, NFCL- Kakinada-I, NFCL-Kakinada-II,GNFC-Bharuch, GSFC-Vadodara, NFL-Bathinda, NFL-Nangal, NFL-Panipat, SFC-Kota, KFCL–Kanpur, RCF Trombay-V, ZACL-Goa are hereby

extended for further period of 2 years i.e. till 31<sup>st</sup> March, 2020 with the following penalties:

- (a) Penalty equivalent to 2% energy of difference between NUP Energy norms and Target Energy norms of NUP-2015, for the first year i.e. 2018-19.
  - (b) Penalty equivalent to 5% energy of difference between NUP Energy norms and Target Energy norms of NUP-2015, for the second year i.e. 2019-20.
  - (c) Urea manufacturing units must achieve Target Energy Norms during the extended period of 2018-19 to 2019-20 failing which additional penalties may be imposed on defaulting units in consultation with the Department of Expenditure.
- (iii) The aforesaid target energy norms may be continued upto 31<sup>st</sup> March, 2025. Meanwhile, an expert body under NITI Aayog would be engaged to recommend the energy norms to be achieved from 01<sup>st</sup> April, 2025.
- (iv) The three Naphtha based urea units viz., MFL, MCFL, SPIC are also allowed the existing energy norms under Para (2) of policy notification dated 17<sup>th</sup> June, 2015 for another two years i.e. till 31<sup>st</sup> March, 2020 or till these units get the gas pipeline connectivity, whichever is earlier. There will be no mopping up of energy efficiency for a fix period of 5 years from date of gas pipeline connectivity as per Para 3 (viii) and 5 (ii) of NPS-III policy dated 8<sup>th</sup> March, 2007.

Yours' faithfully,

-sd-

(Dharam Pal)

Additional Secretary to Government of India

Tele: 23386800

Copy to:

The Executive Director

Fertilizer Industry Coordination Committee

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

## ANNEXURE - XIV

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

ShastriBhavan, New Delhi

Dated the 02<sup>nd</sup> 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 beginning and completion of each stage of the project as given at **Annexure-2**. 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

## 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,

$$\text{IPP}_x = \text{Import Parity Price for month (x)}$$

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) 1<sup>st</sup> 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 - XV

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 2<sup>nd</sup> 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.'

- (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 - XVI

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 - XVII

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

Shastri Bhawan,  
New Delhi, the 7<sup>th</sup> January, 2015

To

CMD/MDs

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/SPIC/N  
FCL/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 2<sup>nd</sup> June 2008 and the 11<sup>th</sup> 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 2<sup>nd</sup> 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 - XVIII

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

Shastri Bhawan,  
New Delhi, the 24<sup>th</sup> 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 2<sup>nd</sup> June 2008, 11<sup>th</sup> January 2011 and 07<sup>th</sup> 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.

2. The other terms and conditions of policy letter dated 2<sup>nd</sup> June 2008 and subsequent

letter dated 07<sup>th</sup> 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, NitiAayog.
3. DG, FAI.
4. NIC for uploading on website of this Department.
5. Hindi Section.

## ANNEXURE - XIX

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

Shastri Bhawan, New Delhi,  
Dated the 25<sup>th</sup> 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 2<sup>nd</sup> June 2008, 11<sup>th</sup> January 2011 and 07<sup>th</sup> January, 2015 and 24<sup>th</sup> 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.

2. The other terms and conditions of policy letter dated 2<sup>nd</sup> June 2008 and subsequent letter dated 07<sup>th</sup> 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, NitiAayog.
3. DG, FAI.
4. NIC for uploading on website of this Department.
5. Hindi Section.
6. Guard File.

## ANNEXURE - XX

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

Shastri Bhawan, New Delhi  
Dated the 4<sup>th</sup> September, 2017.

To

CMD/MDs,  
RCF/MFI/BVFCL/NFI/KRIBHICO/KFI/IFFCO/GSFC/GNFC/SFC/NECL/DFCL/TATA/  
ZACL/GIL/SPIC/MFCL

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

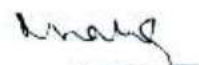
Sir,

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 the smooth implementation of the above policy.

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 45 kg. bag.

Yours faithfully,



(Dharam Pal)  
Additional Secretary (Fertilizers)  
☎: 23386800

Copy to:

1. Joint Secretary (INM), Department of Agriculture & Farmers' Welfare, Krishna Bhawan, New Delhi.
2. Principal Director of Audit, Economic & Service 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-110067.
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, 5<sup>th</sup> Floor, Sewa Bhawan, New Delhi - 110066.
8. Director (CE), FICCI, 8<sup>th</sup> Floor, Sewa Bhawan, New Delhi - 110066.
9. Fin II Desk, 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)  
☎: 23386500

## ANNEXURE - XXI

विजसूरी सं० डी० एल०-33004/99

REGD NO. D. L. 33004/99



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 805] नई दिल्ली, बुधवार, मार्च 1, 2018/फाल्गुन 10, 1939  
 No. 805] NEW DELHI, THURSDAY, MARCH 1, 2018/PHALGUNA 10, 1939

कृषि और किसान कल्याण मंत्रालय

(कृषि, सहकारिता और किसान कल्याण विभाग)

आदेश

नई दिल्ली, 1 मार्च, 2018

**का.आ. 909(अ).**—केन्द्रीय सरकार, उर्वरक (निपत्रण) आदेश, 1985 के खंड 3 के उपखंड (1) के अनुसरण में और भारत सरकार के कृषि मंत्रालय (कृषि और सहकारिता विभाग) की अधिसूचना संख्या का.आ. 2653(अ), तारीख 31 अक्टूबर, 2012 (जिसे उसने इसके पश्चात् उक्त अधिसूचना कहा गया है) की उन शर्तों के निष्पत्ति अतिरिक्त करते हुए, जिन्हें ऐसे अधिसूचना से पहले किया गया है या करने का लोप किया गया है, इसमें उगाबद्ध अनुसूची के स्तम्भ (4) में विनिर्दिष्ट कीमत को, स्तम्भ (3) में विनिर्दिष्ट आकार के प्रति बैले के लिए, इस अधिसूचना की जारी करने की तारीख से, ऐसी अधिकतम कीमत के रूप में नियत करती है, जिस पर उक्त अनुसूची के स्तम्भ (2) में की तत्स्थानी प्रविष्टि में विनिर्दिष्ट उर्वरकों का, चाय, काफी या रबर सामानों के उगाने वाले या केंद्रित को डीलर, विनिर्माता आयातक या पूल हैंडलिंग अधिकरण द्वारा बिक्रय किया जाएगा :-

अनुसूची

क्रम सं.	उर्वरक का नाम	बैले का आकार	प्रति बैला अधिकतम कीमत (रुपयों में)
(1)	(2)	(3)	(4)
1.	यूरिया (46% नाइट्रोजन)	45 किलोग्राम	242/- रुपए
2.	डिब्रेटेड यूरिया	45 किलोग्राम	266/- रुपए

**स्पष्टीकरण 1 :-**उपर नियत अधिकतम कीमत में केन्द्रीय उत्पाद शुल्क, केन्द्रीय कर, एम्प्लोयर्स कर, संग राज्यसेव कर या प्रतिमाह शुल्क, राज्य कर और अन्य स्थानीय कर, अहां कहीं भी उद्गृहीत किए जाते हैं, चाहे खुदरा बिक्रय बिंदु या किसी मध्यवर्ती स्तर पर, सम्भलित नहीं हैं।

1194 GI/2018

(1)





[सूची II-तकिए 3(ii)]

सूची के तहत 3 (ii) के अंतर्गत

4

**Explanation II** Where the sale of any fertilizer is made in quantities not exceeding 25 kilograms, the dealer may charge the following amount on small fertilizer bags in addition to the price specified in the Schedule (namely)

- (a) On packing of 2 kg, Rs. 1.50 per packing,
- (b) On packing of 5 kg, Rs. 2.25 per packing,
- (c) On packing of 10 kg, Rs. 3.50 per packing, and
- (d) On packing of 25 kg, Rs. 5.00 per packing.

(2) The 50 kg. bag, if any, shall be sold by a dealer, manufacturer, importer and a pool handling agency at the price fixed in the Schedule to the said notification which shall be exclusive of taxes specified in Explanation I above.

(3) After the coming into force of this notification, the unsold stocks of fertilizer procured at the price fixed in the Schedule to the said notification, by any wholesale or retail dealer other than the manufacturer and pool handling agent, whether in the Government, private or cooperative sector (including the State Agro Industries Corporation, Apex Cooperative Marketing Federations and other institutional agencies) shall be sold at the price not exceeding the maximum price fixed under the said notification.

(F.No. 3-12/2017 Fert. Law)

UPMA SHIVASTAVA, Addl. Secy.

Uploaded by Directorate of Printing at Government of India Press, Ring Road, Mayapuri, New Delhi-110061  
and Published by the Controller of Publications, Delhi-110054

**ALOK  
KUMAR**

This bill signed  
by ALOK KUMAR  
Date: 2018/04/17  
Page 21 of 22

## ANNEXURE - XXII

No.12012/6/2016-FPP  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

Shastri Bhawan, New Delhi,  
Dated the 28<sup>th</sup> March, 2018

To

CMD/MD/Head of all Urea manufacturing units

Sir/Madam,

**Subject: Revision of Dealer/Distribution Margin in respect of Urea sale effected through Private Agencies and Institutional Agencies w.e.f. 01<sup>st</sup> April, 2018.**

The issue of revision of rates of Dealer/Distribution Margin for sale of Urea both indigenous as well as imported which were last revised vide Notification No.12012/10/99-FPP-II dated 18<sup>th</sup> June, 1999, has been under consideration of the Government for quite some time. I am directed to state that it has been decided to revise the Dealer/Distribution Margin to the rate of Rs.354/MT of urea w.e.f. 01<sup>st</sup> April, 2018 for sale of Urea through Private Trade as well as Institutional Agencies.

2. It is to be noted that the Dealer/Distribution margin will be paid to the Dealers on the quantity sold through POS devices only.
3. This issues with the approval of Competent Authority.

  
(Sunita Bansal)

Under Secretary to the Government of India  
Tele: 23388591

Copy to:

1. Chief Secretaries of all the State Governments/Union Territories.
2. ED, FICC, R.K.Puram, Sewa Bhawan, New Delhi.
3. Pay and Accounts Officer, PAO, Janpath Bhawan, New Delhi.
4. DG, FAL, 10 Shahid Jit Singh Marg, New Delhi-110057.
5. Joint Secretary-cum-Central Registrar of Cooperative Societies.
6. Department of Agriculture & Cooperative, Krishi Bhawan, New Delhi.

Copy also to:

1. AS(DP), JS(AT)
2. Director (Movement)/Director (FA)/Director (Finance) /Director (CE) (FICC)
3. Director (NIC)/DOF- for website/DD(QL)-for Hindi translation.
4. Director(FA)



## ANNEXURE - XXIII

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

Shastri Bhawan, New Delhi  
 Dated the 12<sup>th</sup> March, 2018

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 17<sup>th</sup> June, 2016 and 4<sup>th</sup> September, 2017 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 2016-17 as below:

**(Rs. Per MT/Km)**

Distance Slab (KM)	Normative Rates (2015-16)	Normative Rates (2016-17)
0-100	4.25	4.25
101-250	2.71	2.71
251-350	2.02	2.02
351-500	1.82	1.82

2. 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.

3. 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 25<sup>th</sup> October, 2012 till the finalization of study by Tariff Commission.

4. 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 5<sup>th</sup> November, 2014 till the finalization of study of Tariff Commission.

5. This issues with the concurrence of Internal Finance Division vide ASFA Dy No dated .

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).
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.
8. Hindi Section – for Hindi Translation.

-sd-

(Prabhas Kumar)  
Director (Fertilizers)  
Tele: 23386398

## ANNEXURE - XXIV

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

Shastri Bhawan, New Delhi

Dated the 12<sup>th</sup> March, 2018

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 18<sup>th</sup> 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 2016-17 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 1<sup>st</sup> 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 (Karnatka); (viii) Goa; (ix) Singroli (Madhya Pradesh); (x) Koraput (Odisha) (xi) Baleswar (Odisha); (xii) Mahe (Pudducherry); (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.MNo. 15-05/2009-Ship-I dated 25<sup>th</sup> 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 17<sup>th</sup> 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 17<sup>th</sup> 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 dated

Yours sincerely,

-sd-

(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, 7<sup>th</sup> Floor, Lok Nayak Bhawan, New Delhi-110003.
7. Advisor (Cost), Ministry of Commerce and Industry, Tariff Commission, 7<sup>th</sup> 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.

-sd-

(Prabhas Kumar)

Director (Fertilizers)

Tele: 23386398



## ANNEXURE OF ANNEXURE- XXIV

Sl. No.	State	Districts	Normative Rates 2015-16	Normative Rates 2016-17
1	<b>Andhra Pradesh</b>	Anantapur	3.84	3.84
		Chittoor	4.30	4.30
		Cuddapah	5.27	5.27
		East Godavari	2.66	2.66
		Guntur	2.24	2.24
		Kadapa	4.60	4.60
		Krishna	2.72	2.72
		Nellore	3.12	3.12
		Nellore	3.08	3.08
		Prakasam	2.74	2.74
		Srikakulam	3.97	3.97
		Visakhapatnam	3.24	3.24
		Vizianagaram	3.77	3.77
		West Godavari	2.69	2.69
2	<b>Assam</b>	Barpeta	6.73	6.73
		Bongaigaon	7.43	7.43
		Cachar	7.43	7.43
		Chirang	7.43	7.43
		Darrang	5.27	5.27

		Dhemaji	7.43	7.43
		Dhubri	3.35	3.35
		Dibrugarh	7.43	7.43
		Goalpara	3.35	3.35
		Golaghat	7.43	7.43
		Jorhat	7.43	7.43
		Kamrup	7.43	7.43
		Kamrup Metropolitan	7.43	7.43
		Karimganj	5.27	5.27
		Lakhimpur	7.43	7.43
		Marigaon	5.27	5.27
		Nagaon	7.43	7.43
		Nalbari	5.27	5.27
		Sonitpur	7.43	7.43
		Tinsukia	7.43	7.43
		Udalguri	7.43	7.43
<b>3</b>	<b>Bihar</b>	Araria	2.54	2.54
		Arwal	3.03	3.03
		Aurangabad	5.27	5.27
		Banka	3.33	3.33
		Begusarai	7.43	7.43
		Bhagalpur	6.57	6.57
		Bhojpur	7.43	7.43
		Buxar	3.97	3.97
		Darbhanga	5.24	5.24
		Deoria	5.27	5.27
		East Champaran	5.27	5.27
		Gaya	5.27	5.27

	Gopalganj	5.27	5.27
	Jamui	2.37	2.37
	Jehanabad	4.66	4.66
	Kaimur	4.08	4.08
	Katihar	5.27	5.27
	Khagaria	5.89	5.89
	Kishanganj	6.22	6.22
	Lakhisarai	3.04	3.04
	Madhepura	3.70	3.70
	Madhubani	5.12	5.12
	Munger	2.74	2.74
	Muzaffarpur	7.43	7.43
	Nalanda	6.04	6.04
	Nawada	5.36	5.36
	Patna	5.59	5.59
	Purnia	4.66	4.66
	Rohtas	7.03	7.03
	Saharsa	5.27	5.27
	Samastipur	5.27	5.27
	Saran	5.27	5.27
	Sheikhpura	3.92	3.92
	Sheohar	2.21	2.21
	Sitamarhi	3.92	3.92
	Siwan	6.93	6.93
	Supaul	3.25	3.25
	Vaishali	5.27	5.27
	West Champaran	5.27	5.27

<b>4</b>	<b>Chattisgarh</b>	Bastar	4.66	4.66
		Beejapur	3.35	3.35
		Bilaspur	5.04	5.04
		Dantewada	3.35	3.35
		Dhamtari	4.26	4.26
		Durg	5.27	5.27
		Jagdalpur	3.34	3.34
		Janjgir-Champa	3.97	3.97
		Jashpur	3.35	3.35
		Kabirdham	4.04	4.04
		Kanker	3.35	3.35
		Kawardha	3.35	3.35
		Korba	5.19	5.19
		Koriya	4.22	4.22
		Mahasamund	3.97	3.97
		Narayanpur	4.36	4.36
		Palamu	5.27	5.27
		Raigarh	3.97	3.97
		Raipur	5.27	5.27
		Rajnandgaon	5.27	5.27
		Surguja	3.37	3.37
<b>5</b>	<b>Dadra &amp; Nagar Haveli</b>	D&N	3.54	3.54
<b>6</b>	<b>Goa</b>	North Goa	3.35	3.35
		South Goa	2.58	2.58
<b>7</b>	<b>Gujarat</b>	Ahmedabad	3.47	3.47
		Amreli	3.11	3.11
		Anand	5.27	5.27

	Aravalli	4.22	4.22
	Banas Kantha	3.34	3.34
	Baroda	2.73	2.73
	Bharuch	4.94	4.94
	Bhavnagar	3.38	3.38
	Botad	3.47	3.47
	Chhotaudepur	4.11	4.11
	Dahod	3.77	3.77
	Dangs	3.35	3.35
	Devbhumi Dwarka	3.67	3.67
	Gandhinagar	4.57	4.57
	Gir Somnath	3.29	3.29
	Jamnagar	3.67	3.67
	Junagadh	3.29	3.29
	Kheda	5.27	5.27
	Kutch	2.21	2.21
	Mahesana	4.47	4.47
	Mahisagar	4.44	4.44
	Morbi	3.97	3.97
	Narmada	4.07	4.07
	Navsari	4.45	4.45
	Panch Mahals	4.44	4.44
	Patan	3.48	3.48
	Porbandar	3.26	3.26
	Rajkot	4.57	4.57
	Sabar Kantha	4.22	4.22
	Surat	5.27	5.27
	Surendranagar	3.67	3.67
	Tapi	3.93	3.93

		Vadodara	4.11	4.11
		Valsad	4.28	4.28
<b>8</b>	<b>Haryana</b>	Ambala	5.10	5.10
		Bhiwani	5.27	5.27
		Faridabad	4.62	4.62
		Fatehabad	5.45	5.45
		Gurgaon	3.96	3.96
		Hisar	4.28	4.28
		Jhajjar	5.27	5.27
		Jind	5.04	5.04
		Kaithal	6.35	6.35
		Karnal	7.43	7.43
		Kurukshetra	6.45	6.45
		Mahendragarh	4.03	4.03
		Mewat	3.62	3.62
		Panchkula	4.38	4.38
		Panipat	4.48	4.48
		Rewari	7.43	7.43
		Rohtak	6.97	6.97
		Sirsa	5.19	5.19
		Sonipat	6.36	6.36
		Yamunanagar	5.07	5.07
<b>9</b>	<b>Jammu &amp; Kashmir</b>	Jammu	7.43	7.43
<b>10</b>	<b>Jharkhand</b>	Bokaro	2.21	2.21
		Chatra	2.87	2.87
		Deoghar	5.27	5.27
		Dhanbad	2.21	2.21
		Dumka	5.27	5.27

		East Singhbhum	2.21	2.21
		Garhwa	3.59	3.59
		Giridih	2.81	2.81
		Godda	2.58	2.58
		Gumla	3.35	3.35
		Hazaribag	3.22	3.22
		Jamtara	3.08	3.08
		Koderma	3.09	3.09
		Latehar	3.10	3.10
		Lohardaga	3.39	3.39
		Pakur	2.21	2.21
		Palamu	3.63	3.63
		Ramgarh	3.22	3.22
		Ranchi	5.27	5.27
		Sahibganj	2.97	2.97
		Seraikela	3.09	3.09
		Simdega	2.88	2.88
		West Singhbhum	2.59	2.59
<b>11</b>	<b>Karnataka</b>	Bagalkot	3.25	3.25
		Bangalore Urban	4.97	4.97
		Bangalore Rural	3.94	3.94
		Belgaum	3.24	3.24
		Bellary	4.08	4.08
		Bidar	3.18	3.18
		Bijapur	4.15	4.15
		C. Mangalore	4.22	4.22
		Chamrajnagar	3.92	3.92
		Chickmagalur	4.11	4.11
		Chikkballapur	3.82	3.82

		Chitradurga	3.04	3.04
		Davangere	5.27	5.27
		Dharwad	3.44	3.44
		Gadag	2.73	2.73
		Gulbarga	3.71	3.71
		Hassan	4.97	4.97
		Haveri	2.85	2.85
		Kodagu	3.35	3.35
		Kolar	3.08	3.08
		Koppal	4.45	4.45
		Mandya	5.21	5.21
		Mysore	4.00	4.00
		North Kannada	2.50	2.50
		Raichur	4.35	4.35
		Ramanagaram	3.64	3.64
		Shimoga	3.89	3.89
		South Kannada	3.67	3.67
		Tum-kur	3.22	3.22
		Udupi	4.43	4.43
<b>12</b>	<b>Kerala</b>	Alappuzha	5.27	5.27
		Ernakulam	5.27	5.27
		Idukki	3.35	3.35
		Kannur	4.97	4.97
		Kasargod	3.35	3.35
		Kollam	4.56	4.56
		Kottayam	7.11	7.11
		Kozhikode	4.94	4.94
		Malappuram	4.26	4.26
		Palakkad	5.27	5.27



		Pathanamthitta	5.27	5.27
		Thiruvananthapuram	3.35	3.35
		Thrissur	5.27	5.27
		Wayanad	5.27	5.27
<b>13</b>	<b>Madhya Pradesh</b>	Aliraj Pur	2.50	2.50
		Anuppur	2.44	2.44
		Ashoknagar	2.21	2.21
		Balaghat	4.11	4.11
		Barwani	2.97	2.97
		Betul	4.89	4.89
		Bhind	3.53	3.53
		Bhopal	4.78	4.78
		Burhanpur	3.93	3.93
		Chhatarpur	3.19	3.19
		Chhindwara	3.08	3.08
		Damoh	3.47	3.47
		Datia	2.98	2.98
		Dewas	3.87	3.87
		Dhar	3.45	3.45
		Dindori	2.38	2.38
		Guna	2.44	2.44
		Gwalior	3.63	3.63
		Harda	5.27	5.27
		Hoshangabad	5.27	5.27
		Indore	5.27	5.27
		Jabalpur	2.72	2.72
		Jhabua	3.74	3.74
		Katni	4.01	4.01

		Khandwa	3.97	3.97
		Khargone	3.53	3.53
		Mandla	2.36	2.36
		Mandsour	2.94	2.94
		Morena	3.42	3.42
		Narsinghpur	2.49	2.49
		Neemuch	2.62	2.62
		Panna	3.94	3.94
		Raigarh	3.61	3.61
		Raisen	5.15	5.15
		Rajgarh	3.81	3.81
		Ratlam	4.99	4.99
		Rewa	3.74	3.74
		Sagar	3.20	3.20
		Satna	3.33	3.33
		Sehore	4.80	4.80
		Seoni	2.93	2.93
		Shahdol	2.81	2.81
		Shajapur	3.96	3.96
		Shivpuri	2.89	2.89
		Shoepurkalan	2.43	2.43
		Shujalpur	3.98	3.98
		Sidhi	2.67	2.67
		Tikamgarh	2.93	2.93
		Ujjain	4.41	4.41
		Umaria	3.70	3.70
		Vidisha	4.58	4.58
<b>14</b>	<b>Maharashtra</b>	Ahmednagar	4.91	4.91

		Akola	4.95	4.95
		Amravati	5.21	5.21
		Aurangabad	3.84	3.84
		Bandra Suburban	5.27	5.27
		Beed	3.24	3.24
		Bhandara	3.37	3.37
		Buldhana	3.84	3.84
		Chandrapur	3.94	3.94
		Dhule	4.43	4.43
		Gadchiroli	2.66	2.66
		Gondia	3.38	3.38
		Hingoli	3.45	3.45
		Jalgaon	4.01	4.01
		Jalna	4.06	4.06
		Kolhapur	5.27	5.27
		Latur	3.87	3.87
		Mumbai	5.27	5.27
		Nagpur	5.27	5.27
		Nanded	3.19	3.19
		Nandurbar	3.70	3.70
		Nashik	5.26	5.26
		Osmanabad	3.26	3.26
		Palghar	2.21	2.21
		Parbhani	3.55	3.55
		Pune	4.11	4.11
		Raigarh	2.59	2.59
		Ratnagiri	5.27	5.27
		Sangli	5.27	5.27

		Satara	4.76	4.76
		Sindhudurg	3.35	3.35
		Solapur	4.21	4.21
		Thane	2.21	2.21
		Wardha	5.90	5.90
		Washim	5.27	5.27
		Yavatmal	4.58	4.58
<b>15</b>	<b>Odisha</b>	Angul	3.35	3.35
		Balangir	7.43	7.43
		Baleswar	4.40	4.40
		Bargarh	5.15	5.15
		Bhadrak	5.27	5.27
		Balangir	7.43	7.43
		Boudh	3.35	3.35
		Cuttack	6.94	6.94
		Deogarh	3.35	3.35
		Dhenkanal	5.27	5.27
		Gajapati	3.35	3.35
		Ganjam	5.27	5.27
		Jagatsinghapur	5.27	5.27
		Jajpur	5.27	5.27
		Jharsuguda	5.27	5.27
		Kalahandi	4.86	4.86
		Kandhamal	3.35	3.35
		Kendrapara	5.27	5.27
		Kendujhar	3.35	3.35
		Keonjhar	5.27	5.27
		Khordha	5.27	5.27

		Malkangiri	3.35	3.35
		Mayurbhanj	3.35	3.35
		Nabarangapur	3.35	3.35
		Nayagarh	5.19	5.19
		Nuapada	5.27	5.27
		Puri	5.27	5.27
		Rayagada	3.35	3.35
		Sambalpur	4.74	4.74
		Sonepur	4.21	4.21
		Sundergarh	3.02	3.02
<b>16</b>	<b>Puducherry</b>	Karaikal	3.35	3.35
		Pondicherry	3.23	3.23
		Yanam	2.79	2.79
<b>17</b>	<b>Punjab</b>	Amritsar	4.27	4.27
		Barnala	3.61	3.61
		Bathinda	5.27	5.27
		Faridkot	5.24	5.24
		Fatehgarh Sahib	4.94	4.94
		Fazilka	5.27	5.27
		Firozpur	5.27	5.27
		Gurdaspur	4.49	4.49
		Hoshiarpur	4.33	4.33
		Jalandhar	4.49	4.49
		Kapurthala	4.40	4.40
		Ludhiana	4.89	4.89
		Mansa	5.27	5.27
		Moga	5.27	5.27
		Mohali/Sahibzada Ajit Singh Nagar	3.39	3.39

		Muktsar	5.61	5.61
		Nawanshahr/Shahid Bhagat Singh Nagar	3.23	3.23
		Pathankot	4.49	4.49
		Patiala	4.30	4.30
		Rupnagar	2.21	2.21
		Sangrur	6.18	6.18
		Tarntaran	4.30	4.30
<b>18</b>	<b>Rajasthan</b>	Ajmer	2.21	2.21
		Alwar	3.60	3.60
		Banswara	2.67	2.67
		Baran	3.89	3.89
		Barmer	2.21	2.21
		Bharatpur	3.92	3.92
		Bhilwara	3.12	3.12
		Bikaner	2.21	2.21
		Bundi	3.09	3.09
		Chittorgarh	3.49	3.49
		Churu	2.21	2.21
		Dausa	3.23	3.23
		Dholpur	2.97	2.97
		Dungarpur	3.67	3.67
		Hanumangarh	5.27	5.27
		Jaipur	3.44	3.44
		Jaisalmer	2.21	2.21
		Jalor	2.53	2.53
		Jhalawar	2.29	2.29
		Jhunjhunu	2.44	2.44
		Jodhpur	2.21	2.21

		Karauli	4.40	4.40
		Kota	3.17	3.17
		Nagaur	2.36	2.36
		Pali	3.10	3.10
		Pratapgarh	2.58	2.58
		Rajsamand	2.73	2.73
		Sawai Madhopur	3.60	3.60
		Sikar	2.46	2.46
		Sirohi	2.81	2.81
		Sri Ganganagar	3.23	3.23
		Tonk	2.22	2.22
		Udaipur	3.10	3.10
<b>19</b>	<b>Tamil Nadu</b>	Ariyalur	3.02	3.02
		Chennai	3.68	3.68
		Coimbatore	5.27	5.27
		Cuddalore	5.07	5.07
		Dharmapuri	4.82	4.82
		Dindigul	4.49	4.49
		Erode	4.21	4.21
		Kanchipuram	3.29	3.29
		Kanyakumari	3.35	3.35
		Karur	4.24	4.24
		Krishnagiri	2.87	2.87
		Madurai	4.20	4.20
		Nagapattinam	4.30	4.30
		Namakkal	4.64	4.64
		Nilgiris	5.27	5.27
		Perambalur	4.56	4.56
		Pudukkottai	4.33	4.33

		Ramanathapuram	3.35	3.35
		Salem	4.36	4.36
		Sivaganga	4.66	4.66
		Thanjavur	5.27	5.27
		Theni	3.35	3.35
		Thoothukudi	3.35	3.35
		Tiruchirappalli	5.00	5.00
		Tirunelveli	3.09	3.09
		Tiruvallur	3.96	3.96
		Tiruvannamalai	3.35	3.35
		Tiruvarur	4.82	4.82
		Vellore	4.70	4.70
		Viluppuram	3.89	3.89
		Virudhunagar	3.35	3.35
<b>20</b>	<b>Telangana</b>	Adilabad	2.56	2.56
		Bhadradi	-	2.21
		Hyderabad	2.67	2.67
		Jagitial	-	3.09
		Jangoan	-	2.61
		Jayashankar	-	2.71
		Jogulamba	-	2.88
		Karimnagar	3.09	3.09
		Kamareddy	-	3.84
		Khammam	2.21	2.21
		Komaram Bheem (Asifabad)	-	2.56
		Mahabubabad	-	2.52
		Mahbubnagar	2.88	2.88
		Mancherial	-	2.56



		Medak	2.54	2.54
		Medchal	3.18	3.18
		Nagarkurnool	-	2.88
		Nalgonda	2.40	2.40
		Nirmal	-	2.56
		Nizamabad	3.84	3.84
		Rangareddy	3.18	3.18
		Peddapalli	-	3.09
		Rajanna	-	3.09
		Sangareddy	-	2.54
		Siddipet	-	2.82
		Suryapet	-	2.40
		Vikarabad	3.18	3.18
		Wanaparthy	-	2.88
		Warangal	2.82	2.82
		Warangal Rural	-	2.82
		Warangal Urban	-	2.96
		Yadadri	-	2.40
<b>21</b>	<b>Uttar Pradesh</b>	Agra	3.85	3.85
		Aligarh	3.77	3.77
		Allahabad	3.75	3.75
		Ambedkar Nagar	4.60	4.60
		Auraiya	3.70	3.70
		Azamgarh	4.26	4.26
		Bagpat	3.84	3.84
		Bahraich	4.82	4.82
		Ballia	3.81	3.81
		Balrampur	4.24	4.24
		Banda	5.27	5.27

	Barabanki	4.38	4.38
	Bareilly	4.41	4.41
	Basti	4.29	4.29
	Bijnor	4.60	4.60
	Bhadohi	4.22	4.22
	Bulandshahr	4.08	4.08
	Chandauli	4.86	4.86
	Chitrakoot	4.66	4.66
	Deoria	4.24	4.24
	Etah	3.87	3.87
	Etawah	3.90	3.90
	Faizabad	4.44	4.44
	Farrukhabad	5.15	5.15
	Fatehpur	3.72	3.72
	Firozabad	4.07	4.07
	Gautam Buddha Nagar	4.66	4.66
	Ghazipur	4.73	4.73
	Ghaziabad	4.64	4.64
	Gonda	3.76	3.76
	Gorakhpur	4.33	4.33
	Hamirpur	4.47	4.47
	Hapur	4.64	4.64
	Hardoi	4.01	4.01
	Hathras	3.59	3.59
	Jalaun	3.75	3.75
	Jaunpur	3.39	3.39
	Jhansi	3.35	3.35
	Jyotiba Phule Nagar	4.65	4.65
	Kannauj	3.46	3.46
	Kanpur Dehat	3.33	3.33
	Kanpur Nagar	4.30	4.30

	Kashganj	2.21	2.21
	Kaushambi	3.94	3.94
	Kushinagar	2.93	2.93
	Lakhimpur Kheri	4.04	4.04
	Lalitpur	2.21	2.21
	Lucknow	4.35	4.35
	Maharajganj	4.18	4.18
	Mahoba	4.58	4.58
	Mainpuri	3.93	3.93
	Mathura	3.61	3.61
	Mau	4.29	4.29
	Meerut	4.17	4.17
	Mirzapur	3.57	3.57
	Moradabad	3.92	3.92
	Muzaffarnagar	3.96	3.96
	Pilibhit	4.41	4.41
	Pratapgarh	3.81	3.81
	Rae Bareli	4.00	4.00
	Rampur	4.36	4.36
	Saharanpur	3.87	3.87
	Sambhal	3.92	3.92
	Sant Kabir Nagar	5.07	5.07
	Sant Ravidas Nagar	3.64	3.64
	Shahjahanpur	4.30	4.30
	Shamli	3.96	3.96
	Shrawasti	5.27	5.27
	Siddharthnagar	3.97	3.97
	Sitapur	4.19	4.19
	Sonbhadra	3.68	3.68
	Sultanpur	3.47	3.47
	Unnao	4.06	4.06

		Varanasi	4.86	4.86
<b>22</b>	<b>Uttarakhand</b>	Almora	2.21	2.21
		Bageshwar	2.21	2.21
		Chamoli	2.21	2.21
		Champawat	2.21	2.21
		Dehradun	4.62	4.62
		Haridwar	4.33	4.33
		Nainital	3.68	3.68
		Pauri Garhwal	5.27	5.27
		Pithoragarh	2.40	2.40
		Rudraprayag	2.79	2.79
		Tehri Garhwal	3.27	3.27
		Udham Singh Nagar	5.37	5.37
		Uttarkashi	2.21	2.21
<b>23</b>	<b>West Bengal</b>	Bankura	4.94	4.94
		Bardhaman	5.09	5.09
		Birbhum	4.62	4.62
		Cooch Behar	4.57	4.57
		Darjiling	5.27	5.27
		East Midnapore	4.57	4.57
		Hooghly	4.18	4.18
		Howrah	4.38	4.38
		Jalpaiguri	5.08	5.08
		Kolkata	3.35	3.35
		Malda	3.35	3.35
		Murshidabad	4.94	4.94
		Nadia	5.27	5.27
		North 24 Parganas	5.22	5.22
		North Dinajpur	3.54	3.54
		Puruliya	4.07	4.07
		South 24 Parganas	3.75	3.75
		South Dinajpur	2.40	2.40
		West Midnapore	5.27	5.27

## ANNEXURE - XXV

### Status of DBT Rollout in pilot districts

Sr. No	District	Go live Status
1	Krishna (AP)	Live (1 <sup>st</sup> Oct. 2016)
2	West Godavari (AP)	
3	Una (HP)	Live (1 <sup>st</sup> Jan. 2017)
4	Hoshangabad (MP)	
5	Pali (Rajasthan)	
6	Kishanganj (Bihar)	Live (1 <sup>st</sup> Feb. 2017)
7	Karnal (HR)	
8	Kurukshetra (HR)	
9	Nasik (Maharashtra)	
10	Raigarh (Maharashtra)	
11	Rangareddy (Telangana)	Live (1 <sup>st</sup> Mar. 2017)
12	Tumkur (Karnataka)	
13	Narmada, (Gujarat)	
14	Thrissur, (Kerala)	
15	Dhanbad, (Jharkhand)	Live (1 <sup>st</sup> Aug. 2017)
16	Begusarai, (Bihar)	
17	Gorakhpur, (UP)	
18	Malda, (WB)	Went Live with State of West Bengal on 01.02.2018
19	South 24Parganas, WB)	

## ANNEXURE - XXVI

### Phase wise roll out of Pan-India DBT

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

## ANNEXURE - XXVII

## POS DEPLOYMENT STATUS AS ON 07-12-2018

SL No.	State/UT	LFS	Training Session Conducted	Phase-I Initial PoS Requirement	Phase-II Additional PoS Requirement	Total PoS Requirement	Number of PoS Received	Number of PoS Deployed	Pending for Deployment	Percentage of deployment
1	Andhra Pradesh	NFCL	1006	9383	50	9433	9383	9189	194	97.4%
2	Telangana		173	7032	850	7882	7694	7485	209	95.0%
3	Odisha		748	11679	0	11679	11679	10549	1130	90.3%
4	West Bengal		469	18336	6621	24957	23678	22803	875	91.4%
5	Delhi	NFL	19	58	0	58	58	58	0	100.0%
6	Himachal Pradesh		119	2233	0	2233	2233	2041	192	91.4%
7	Chhattisgarh		250	2140	2228	4368	3978	3977	1	91.0%
8	Jammu and Kashmir		195	2792	800	3592	3541	3374	167	93.9%
9	Punjab		203	8872	703	9575	9244	8396	848	87.7%
10	Bihar		411	22362	0	22362	22362	19970	2392	89.3%
11	Madhya Pradesh		187	11645	3400	15045	12331	9939	2392	66.1%
12	Uttarakhand	IFFCO	85	1176	150	1326	1176	931	245	70.2%
13	Jharkhand		178	2551	1400	3951	3547	3507	40	88.8%
14	Uttar Pradesh		1230	37048	15299	52347	52347	46004	6343	87.9%
15	Karnataka	MCFL	443	8150	3037	11187	10110	9702	408	86.7%
16	Rajasthan	CFCL	416	10519	3000	13519	11019	10502	517	77.7%
17	Andaman & Nicobar Islands	SPIC	8	15	0	15	15	15	0	100.0%
18	Puducherry		29	95	0	95	95	93	2	97.9%
19	Tamil Nadu		496	12219	0	12219	12219	11681	538	95.6%
20	Daman & Diu	GNVFC	1	1	0	1	1	1	0	100.0%
21	Dadra & Nagar		2	1	0	1	1	1	0	100.0%
22	Gujarat		366	10655	0	10655	10655	8845	1810	83.0%
23	Maharashtra	RCF	366	20619	4500	25119	23629	23463	166	93.4%
24	Kerala	FACT	272	2700	667	3367	2700	2425	275	
25	Haryana	KRIBHCO	252	5935	1728	7663	7412	5973	1439	77.9%
26	Assam		52	569	1700	2269	1060	965	95	42.5%
27	Manipur		4	37	0	37	37	35	2	94.6%
28	Mizoram	BVFCL	4	13	0	13	13	13	0	100.0%
29	Nagaland		2	4	0	4	4	4	0	100.0%
30	Tripura		8	123	600	723	123	118	5	16.3%
31	Goa	ZACL	2	50	0	50	50	47	3	94.0%
<b>Total</b>			<b>7996</b>	<b>209012</b>	<b>46733</b>	<b>255745</b>	<b>242394</b>	<b>222106</b>	<b>20288</b>	<b>86.8%</b>

72.0%

## ANNEXURE - XXVIII

### STATEMENT SHOWING PER KILO GRAM NBS RATES FOR NUTRIENT N, P, K AND S FOR THE YEAR 2010-11 TO 2018-19

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

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

\*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&amp;K fertilizers during 2010-11 to 2018-19:

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	2018-19
		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	10402
2.	MAP (11-52-0-0)	16219	15879	19803	13978	12009	12009	12009	8629	8327	9991
3.	TSP (0-46-0-0)	12087	11787	14875	10030	8592	8592	8592	6091	5519	6999
4.	MOP (0-0-60-0)	14692	14392	16054	14400	11300	9300	9300	9282	7437	6674
5.	SSP (0-16-0-11)	4400	4296+200	5359	3676	3173	3173	3173	2343	2166	2734
6.	16-20-0-13	9203	9073	11030	8419	7294	7294	7294	5451	5729	6421
7.	20-20-0-13	10133	10002	12116	9379	8129	8129	8129	6085	6488	7177
8.	20-20-0-0	9901	9770	11898	9161	7911	7911	7911	5819	6197	6823
9.	28-28-0-0	13861	11678	16657	12825	11075	11075	11075	8147	8676	9553
10.	10-26-26-0	15521	15222	18080	14309	11841	10974	10974	9050	8241	8739
11.	12-32-16-0	15114	14825	17887	13697	11496	10962	10962	8615	8101	8917
12.	14-28-14-0	14037	13785	16602	12825	10789	10323	10323	8093	7753	8464
13.	14-35-14-0	15877	15578	18866	14351	12097	11630	11630	9020	8593	9529
14.	15-15-15-0	11099	10926	12937	10471	8758	8258	8258	6685	6507	6786
15.	17-17-17-0	12578	12383	14662	11867	9926	9359	9359	7576	7375	7691
16.	19-19-19-0	14058	13839	16387	13263	11094	10460	10460	8467	8242	8596
17.	Ammonium Sulphate (20.6-0-0-23)	5195	5195	5979	5330	4686	4686	4686	3736	4408	4501
18.	16-16-16-0 (w.e.f. 1.7.2010)	11838	11654	13800	11169	9342	8809	8809	7130	6941	7239
19.	15-15-15-9 (w.e.f. 1.10.2010)	11259	11086	13088	10622	8909	8409	8409	6869	6709	7031
20.	24-24-0-0 (from 1.10.10 to 29.5.12 and w.e.f. 22.6.2012)	11881	11724	14278	10993	9493	9493	9493	6983	7437	8188
21.	DAP Lite (16-44-0-0) (w.e.f. 1.2.11)	NA	14991	18573	13434	11559	11559	NA	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	8188
23.	23-23-0-0 (upto 22.6.2012)	11386	11236	13686	10535	NA	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	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	NA
26.	MAP Lite (14-44-0-0) (w.e.f. 30.8.2011 to 29.8.2012)	NA	NA	17276	12234	NA	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

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&amp;K fertilizers fortified/coated with micronutrients namely Boron (B) and Zinc (Zn) respectively during the year 2010-11 to 2018-19.

## ANNEXURE - XXIX

### ATNs IN RESPECT OF AUDIT OBSERVATIONS INCLUDED IN THE ANNUAL REPORT FOR THE YEAR 2015-16 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 111 <sup>th</sup> Report (16 <sup>th</sup> Lok Sabha)	05 PAC observations	05 (under examination)	-	-
2.	C&AG Compliance Audit Report No. 12 of year 2017	1*	Nil	Nil	Nil

\* Action on C&AG report is completed from the side of Department and Final ATN has been uploaded on APMS Portal. No action is pending from the Department side.



सत्यमेव जयते

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