



सत्यमेव जयते

**GOVERNMENT OF INDIA**  
**MINISTRY OF CHEMICALS AND FERTILIZERS**  
**DEPARTMENT OF FERTILIZERS**



**ANNUAL REPORT**  
**2023-24**







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# **ANNUAL REPORT**

## **2023-24**

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



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# CHAPTER- 1

## DEPARTMENT OF FERTILIZERS: AN OVERVIEW

**1.1.** Department of Fertilizers comes under the ambit of Ministry of Chemicals & Fertilizers which is headed by a Cabinet Minister and assisted by the Minister of State. Secretary is the administrative head of the Department of Fertilizers who is assisted by 1 Special Secretary, 1 Additional Secretary, 1 Joint Secretary and Financial Adviser and 3 Joint Secretaries including Economic Adviser. The Organizational structure of Department of Fertilizers is given at **Annexure 1.**

**1.2.** The main objective of Department of Fertilizers is to ensure adequate and timely availability of fertilizers at affordable prices for maximizing agricultural production in the country. The main functions of the Department of Fertilizers include planning, promotion and development of the fertilizers 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. List of subjects allotted to the Department of Fertilizers as per Government of India (Allocation of Business) Rules, 1961 amended from time to time is given at **Annexure - II.**

### **1.3 Vision & Mission:**

#### **1.3.1. Vision Statement:**

Achieving fertilizer security for the country for sustainable agricultural growth supported by a robust domestic fertilizer industry of the Department of Fertilizers. The ultimate goal is to achieve data driven policy making by using data-based insights for redesigning the implementation mechanisms of Government interventions.

#### **1.3.2. Mission Statement:**

Ensuring adequate and timely availability of quality fertilizers at affordable prices in each cropping

season to the 140 million farmers across the country through planned production and imports and distribution of fertilizers in the country and planning for self-sufficiency in urea production is Mission of the Department of Fertilizers.

**1.4** The Department has one attached office under it, viz., Fertilizer Industry Coordination Committee (FICC) headed by Executive Director which is responsible to evolve and review periodically, the group concession rates including freight rates for units manufacturing nitrogenous fertilizers, maintain accounts, make payments and to recover amounts from fertilizer companies, undertake costing and other technical functions and collect and analyse production data, costs and other information. Besides, Department of Fertilizers also has 9 Fertilizer Public Sector Undertaking (PSUs) i.e. RCF/NFL/MFL/FACT/BVFCL/FAGMIL/PDIL/FCIL/HFCL which are under its administrative control.

**1.5** 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)
3. Joint Ventures abroad (IC Division).
4. Fertilizer Imports, Movement and Distribution (Movement Division).
5. PSU Division (dealing with PSUs) & Board Level appointments.
6. Fertilizer Industry Coordination Committee (FICC), an attached office.
7. Fertilizers Subsidy (FS Wing) dealing with payment of subsidy.
8. General administration, Establishment, Parliament, Information Technology, RTI matters.
9. Coordination Division.
10. Planning, Monitoring and Innovation (PMI).
11. Finance and Budget (IFD).
12. Vigilance Division.
13. Shipping Division.
14. Official Language (Hindi Cell).
15. Direct Benefits Transfer (DBT).
16. Promotion of organic fertilizers.
17. SSP (Single Super Phosphate) Cell.
18. Fertilizers Innovation.
19. Fertilizers Act.

**1.5.1 UPP Wing** deals with Urea Policies namely modified New Pricing



Scheme-III, Modified New Pricing Scheme-III, New Urea Policy-2015 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 Urea in the country besides looking after the issues relating to requirement of Natural Gas and other inputs i.e. Naphtha, coal etc. for urea production.

**1.5.2 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.

**1.5.3 IC Wing:** - In order to secure supply of P&K Fertilizers and raw material/intermediates as well as urea requirements, the IC Division has been 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 also dealt with by International Cooperation (IC) wing.

**1.5.4 Movement Wing** deals with season wise assessment of subsidized fertilizers (Urea, DAP, MOP and NPK) in consultation with DA&FW 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 Manufacturers/ 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) & e-Urvarak Dashboard.

**1.5.5 PSU Wing** deals with matters relating to financial performance, annual accounts, MoUs, Budgetary support (non-plan) to corporate affairs, revival/ rehabilitation of sick PSUs, and all matter incidental thereto in respect of 9 PSUs such as 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.

#### 1.5.6 Fertilizer Industry Coordination Committee (FICC).

- The Fertilizer Industry Coordination Committee (FICC) constituted on 1st December 1977 to administer and operate the Retention Price, was reconstituted on 13th March 2003 for administration of the concession scheme under New Pricing Scheme (NPS) of Urea. Presently, NUP 2015 is in force.
- FICC is an attached office under the Department of Fertilizers and is headed by Executive Director. The Chairman of FICC is the Secretary (Fertilizers) and the members are represented from (1) DPIIT (2) Department of Agriculture & Cooperation, (3) Department of Expenditure (4) Ministry of Petroleum and Natural Gas, (5) Tariff Commission (6) Two representatives of the Fertilizer industry. ED (FICC) is the Member Secretary.
- FICC is responsible for calculation of concession rate of indigenous urea.

The provisional quarterly concession rates due to variations in the cost of inputs for 36 urea units were completed and the final concession rate would be taken up after the end of the financial year.

- FICC is the aggregator for compilation of gas pool data as per the Gas Pooling guidelines issued by the Ministry of Petroleum & Natural Gas. The monthly weighted average gas pool price of 28 gas-based urea units were compiled and the same were forwarded to Pool Operator (GAIL) for issue of notification.
- The projected quarterly additional quantity of gas required by urea units to meet the gap in the existing contracted quantity are compiled and forwarded to the Pool Operator (GAIL) for sourcing of gas under the supervision of EPMC as required under the Gas Pooling guidelines issued by the Ministry of Petroleum & Natural Gas.
- In order to streamline and reduce the processing time of examination and calculation of the invoice-wise gas data received from the urea units, a software module "Gas Pool Price Fixation" has been developed and integrated under "Integrated Fertilizer Management System (iFMS)" w.e.f. 01.01.2020.

- In compliance with NBS policy, the cost data received from NPK manufacturers/importers were scrutinized for unreasonableness of MRP /Profit of both imported and indigenous NPK fertilizers viz., DAP, MOP, SSP, Complex fertilizers and mixtures of about 150 manufacturers/importers for the year 2012-13 to 2020-21 were forwarded to the Department of Fertilizers for taking necessary action.
- During the current financial year, all the carried over liabilities of previous financial years were paid to indigenous urea units. The urea subsidy is released as per the budgetary allocation.
- During the period, FICC compiled quantitative and financial data in respect of Inputs viz., different types of gases consumed and other fuels used in the production of urea, data relating to indigenous production of urea, analytical report on the financial implication of different proposals for policy formulations were provided to the Department of Fertilizers.
- The scope and functions of the FICC are as under: -
  - a) To determine concession rates for units manufacturing nitrogenous fertilizer (Urea);
  - b) To maintain accounts, to make subsidy payments to nitrogenous fertilizer companies.
  - c) To undertake inspection of the fertilizers manufacturing units.
  - d) To undertake costing and other technical functions.
  - e) To collect and analyze production data, costs and other related information.
  - f) To review the group concession rates periodically and to make adjustments in these rates, where necessary, with the prior concurrence of the Government.
  - g) To undertake examination necessary for evolving group concession rates for future pricing periods.
  - h) To work out requirement of inputs needed for fertilizer units & to recommend the supplies.
  - i) To recommend annual escalation/de-escalation in the freight subsidy rates on the basis of transport index.
  - j) To calculate Monthly/Annual Gas Pool Rate.
  - k) Assessment of reasonability of profit

on P&K Fertilizer Modules.

- l) Release of subsidy for indigenous urea under Direct Benefit Transfer Mode.
- m) To undertake such other functions as the Government may entrust to the Committee from time to time.
- FICC is responsible for periodically calculating the concession rate including freight rates for units manufacturing urea and to make payment of subsidy. FICC collects the requisite data from urea units for calculation of concession rate of indigenous urea.

**1.5.7 FS (Fertilizer Subsidy) Wing** deals with the payment of subsidy to Fertilizer manufacturing/Importing companies. It processes all claims pertaining to imported and indigenous P&K (including SSP) and imported urea. Payments are on account of non-DBT claims for balance, freight and DBT weekly claims for subsidy based on actual sales through PoS. FS Wing deals with advance and balance payment in respect of imported urea, cost of imported urea by STEs/OMIFCO, recovery of Pool Issue Price of urea from FMEs, Ocean freight payments to vessel owners, insurance charges, custom duty, handling charges etc.

and any recoveries being put in effect from the entities.

**1.5.8 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 and hiring of outsource staff. **Establishment (erstwhile HR-II)** deals with all service-related matters of officers/officials of Department of Fertilizers. **IT section** deals with the procurement of computers/software and its peripherals, printers, e-office related work and all matters related to RTI also. **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.

**1.5.9 Coordination section** deals with all matters relating to coordination work wherein more than 2-3 sections/divisions of the

Department are involved, grievance related matters, VIP references related to personal representations, e-Samiksha, implementation of iGoT courses by Capacity Building Commission, Annual Reports etc.

**1.5.10 PMI section has two wings such as under:**

- i) Production and Inputs (P&I) Section and
- ii) Monitoring and Evaluation (M&E) Section

**(i) Production & Inputs (P&I) Section:**

- Collection, Compilation, analysis of statistical data of Production pertaining to major fertilizers sector i.e. in respect of Urea, DAP and Complex Fertilizers.
- Preparation of Company-wise, unit-wise, product-wise, nutrient-wise & state-wise production estimates on daily, monthly, quarterly, annually and seasonal basis.
- Preparation/issuance of Monthly D.O. letter to Cabinet Secretariat.
- Monthly Quick Estimates of fertilizers production for Ministry of Statistics & Programme Implementation (MoSPI).
- Material for Statistics at a Glance for Ministry of Agriculture, Index of

Industrial Production (IIP) data for MoSPI and Index of eight Core Industries (ICI) for DIPP (M/o Commerce), fertilizers production data for Railway Board etc.

**(ii) Monitoring and Evaluation (M&E) Section:**

- The subjects dealt by PMI-II Section deals with Preparation of Monthly Bulletin of the Department, Compilation of Fertilizer statistics, Compendium of Policy Notifications related to Department of Fertilizers etc.

**1.5.11 The Integrated Finance Division (IFD)** performs various vital functions viz. Preparation of Annual Budget, dealing with matters relating to Supplementary Demands for Grants, re-appropriation of funds. Besides these, Detailed Demands for Grants of the Department is 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 monitoring work relating to Audit paras.

**1.5.12 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 and JVs under the Department of Fertilizers. It appoints Chief Vigilance Officers in the PSUs and JVs under the Administrative control of Department of Fertilizers, 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 Department of Fertilizers and Board Level Officers of the PSUs.

**1.5.13 Shipping division** deals with the examining of shipping documents received from the suppliers of the cargo relating to handling agents, examining the terms, conditions and exceptions of charter party agreement of the vessel for ascertaining the feasibility in handling operation, monitoring the discharge and evacuation of cargo at the ports, settlement of demurrage/ dispatch at the load and discharge port and finalizing the Lay time calculations in terms in CP. It also deals with the examining of Joint Draft Survey report to ascertain the quality and quantity of urea cargo received, monitoring the

production, stock and daily rate of production of granular urea by Oman India Fertilizers Company, Examinations of specifications of vessels offered by RCF for loading urea cargo, examinations of fixture note and charter party terms, conditions and exceptions, fixation of urea vessels including OMIFCO urea and nomination of discharge port, study of general average cases and preparation of brief/write -ups for counsels in maritime arbitrations, co-ordination with OMIFCO, Handling agents IFFCO and KRIBHCO and RCF regarding shipping arrangements, Invitation, scrutiny and finalization of bids from pre -qualified handling agents for handling and distribution of imported urea at Indian ports.

**1.5.14 Official Language (Hindi Cell)** deals with the matters relating to the implementation of official language, translation from Hindi to English and English to Hindi, conducting Hindi training to the staff of the Department, implementing orders issued under official language policy in the Department and fertilizer companies, conducting Hindi workshops, promotion of Hindi language and conducting meetings regarding implementation of Hindi.

**1.5.15 DBT Cell** deals with introduction of DBT in fertilizer subsidy payments. The Cell functions under the supervision of a Joint 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.

**1.5.16 Promotion of Non-Chemical fertilizers (MDA SCHEME) -** Pursuant to the Budget Announcement 2023 and on the recommendations of the EFC, the CCEA in its meeting held on 28th June, 2023, has approved Market Development Assistance @ ₹1,500/MT to promote organic fertilizers, produced at plants under umbrella Galvanizing Organic Bio-Agro Resources Dhan (GOBARdhan) initiative covering different Biogas/CBG support schemes/programmes of stakeholder Ministries/Departments such as Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of Ministry of Petroleum & Natural Gas (MoP&NG), 'Waste to Energy' programme of Ministry of New &

Renewable Energy (MNRE), Swachh Bharat Mission (Grameen) of Department of Drinking Water & Sanitation (DDWS) etc., with total outlay of ₹1451.84 Crore (FY 2023-24 to 2025-26), which includes a corpus of ₹360 Crore for research gap funding.

**1.5.17 SSP cell** is entrusted with the all works related to SSP industries including Induction of units under NBS, inspection / audit of plants/ random sampling of Rock Phosphates, Examination of reports of PDIL / FEDO regarding trial run / random, sampling/ first time technical reports, Marketing arrangements & lease agreements, analyzing various data related to SSP viz. cost, MRP, Sale, Permission for fortified / granular SSP and other policy matters related to SSP etc.

**1.5.18 Fertilizer Innovation** deals with the matters relating to Use of Green Ammonia in Fertilizer Sector, Nano Fertilizers including Nano Urea, use of Drones for application of fertilizers, One Nation - One Fertilizers and any other new initiatives in fertilizers sector.

**1.5.19 Fertilizer Act** section has been formed to formulate a separate Act for promotion and Regulation of various fertilizer products. This

section aids in drafting a new Central legislation to regulate all aspects of fertilizers manufacturing, quality control, distribution and pricing in India and advocacy.

## **1.6 SEVOTTAM:**

**1.6.1** 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.

### **1.6.2 IMPLEMENTATION OF SEVOTTAM:**

**1.6.3** 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 compliant 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.

**1.6.4** 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 Farmers Welfare 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 equipment 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.



### 1.6.5 Grievance Redressal Mechanism: -

1.6.6 A Grievance Redressal Mechanism has been set up in the Department of Fertilizers 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/CPENGRAMS> (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 through online and the status of disposal is monitored on the basis of the portal.

### 1.6.7 e-Samiksha Portal:

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

### 1.7 PRAGATI (Pro-Active Governance and Timely Implementation)

1.7.1 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.

**1.8 Swachhata Special Campaign 3.0 Initiatives undertaken by the Department of Fertilizers:**

Department of Fertilizers and its 9 PSUs actively participated with full vigour in the Swachhata related activities under Special Campaign 3.0 from 2<sup>nd</sup> October, to 31<sup>st</sup> October, 2023. The progress of the Special Campaign 3.0 activities were regularly monitored and reviewed by the Secretary, Department of Fertilizers from time to time. The Secretary, Department of Fertilizers

along with Economic Adviser attended the review meeting on 3<sup>rd</sup> Chief Secretaries Conference and Swachhata Hi Sewa Campaign chaired by Cabinet Secretary on 16.09.2023.

**1.8.1** Department of Fertilizers and along with its 09 PSUs observed the Nationwide Swachhata Campaign 'EK Tareekh, EK Ghanta' on 01.10.2023. Mass cleanliness drives were undertaken by the Department of Fertilizers in the Shastri Bhawan premises, which was led by Secretary, Department of Fertilizers along with Senior Officers and Staff in Department of Fertilizers on 01.10.2023 at 10.00 AM onwards for 1 hour.



**1.8.2** Pradhan Mantri Kisan Samridhhi Kendras (PMKSK) has been identified as one of the Best Practices by the Department of Fertilizers. About 3513 Sites were identified as cleanliness sites as part of the Swachhata Campaign-3 initiatives by the Department of Fertilizers in this regard. PMKSK centers have become excellent examples of Swachhata Campaign 3.0 with clean premises and enhanced facilities for farmers.

**1.8.3** Awareness was also created for widespread participation in the Swachhata Special Campaign 3.0 activities. In this regard, more than 420 official Tweets were done by the Department of Fertilizers and its PSUs through the social media handles of X (Ex-twitter), Facebook, Instagram etc. relating to the various Swachhata Campaign 3.0 initiatives undertaken by them.

**1.8.4** All efforts were done by the Department of Fertilizers and its PSUs for making progress towards the review and weeding out of old files (both physical and e-files) as per the Record Retention Schedule, Parliamentary Assurances, disposal of Public Grievances, References from MPs, digitization of records, reduction of paper work, disposal of the e-waste, scrap material etc. so that they can improve efficiency and space. The record room of the Department of Fertilizers at Janpath Bhawan and the Conference room of the Department of Fertilizers were refurbished as part of the Swachhata Campaign 3.0 initiatives. The progress of Special Campaign 3.0 was also monitored on a dedicated portal [www.scdpm.gov.in](http://www.scdpm.gov.in) by DARPG and updated information was uploaded in the SCDPM portal by the Department of Fertilizers on a regular basis.

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## CHAPTER- 2

# DEVELOPMENT AND GROWTH OF FERTILIZER INDUSTRY

## 2. INTRODUCTION:

**2.1.** Agriculture plays a vital role in India's economy. With its solid forward linkages, the agriculture and allied activities sector significantly contributed to the country's overall growth and development by ensuring adequate food security. The Economic Survey 2023-24 states that the Indian agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2 per cent in the country's GDP at current prices. Fertilizer, water and seeds are vital inputs for achieving higher agricultural production in the country. Increasing use of fertilizers has contributed significantly in enhancing food grain production and bringing self-sufficiency in food grain production in the country. India is the

second largest consumer and third largest producer of finished fertilizers in the world. India is net importer of fertilizers, both finished products as well as raw materials.

## 2.2. Growth of fertilizer industry:

**2.2.1 Position of Production & Import of fertilizers:** Government has undertaken various efforts during the last decade due to which the total all fertilizer production has increased from 385.39 LMT in 2014-15 to 503.35 LMT in 2023-24. The contribution of public sector to the total fertilizer production during 2023-24 stood at **17.43%**, Cooperative sector at **24.81%** and Private Sector at **57.77%** respectively. The sector-wise production of Urea, DAP and Complex fertilizers during 2022-23 and 2023-24 are given in the Table 1 below

Sector wise production of Urea, DAP and Complex Fertilizers during 2022-23 and 2023-24

(Fig. in LMT)

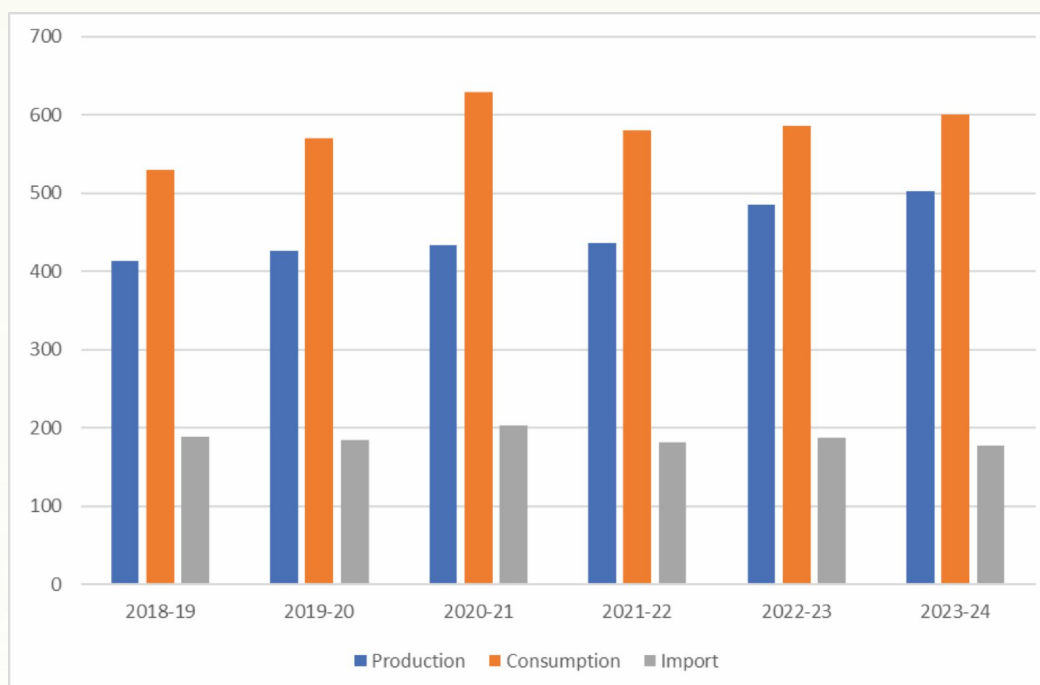
S. No	Sector	2022-23			2023-24				
		Urea	DAP	Complex fertilizers	Urea	DAP	Complex fertilizers	Grand Total	% Contribution to Total
1.	Public Sector	68.73	-	14.79	64.83	-	14.05	78.88	17.43

2.	<b>Cooperative Sector</b>	71.01	29.99	16.76	72.21	26.08	14.00	112.29	24.82
3.	<b>Private Sector</b>	145.20	13.48	61.40	177.06	16.84	67.43	261.33	57.75
<b>Total</b>		<b>284.94</b>	<b>43.47</b>	<b>92.95</b>	<b>314.09</b>	<b>42.93</b>	<b>95.48</b>	<b>452.5</b>	

During 2023-24, the total annual consumption of fertilizers in the country was around **601 Lakh Metric Tonnes** and indigenous production of **503 Lakh Metric Tonnes** and **177 Lakh Metric Tonnes imports**. Around 87% of Urea consumption, 90% of NPK consumption, 40% of DAP consumption are met through indigenous production. However, in

respect of Muriate of Potash (MOP) our country still has to rely on 100 % imports. 90% of raw materials for fertilizers production such as gas, Phosphoric acid, ammonia, rock phosphate etc. are also imported. The trends in production, consumption and imports of total fertilizers in India during 2018-19 to 2023-24 are given below.

#### Trends in production, consumption and imports of total fertilizers in India during 2018-19 to 2023-24 (Figures in LMT)



## Trend in Consumption of Fertilizers

(Figures in 'LMT')

Year	Type of Fertilizers				
	Urea	DAP	MOP	NPKs	Total
2018-19	320.04	87.35	26.98	95.66	530.03
2019-20	336.96	101.01	27.80	105.01	570.78
2020-21	350.51	119.18	34.32	125.82	629.83
2021-22	341.73	92.64	23.93	121.37	579.67
2022-23	357.26	105.31	16.32	107.31	586.20
2023-24	357.81	109.73	16.45	116.80	600.79

The NUP-2015 and NIP-2012 together have substantially increased the indigenous urea production from the level of around 239 LMT during 2018-19 to a record Urea Production at 314.09 LMT during 2023-24 which are indicated below:

## Trend in Production of Fertilizers

(Figures in 'LMT')

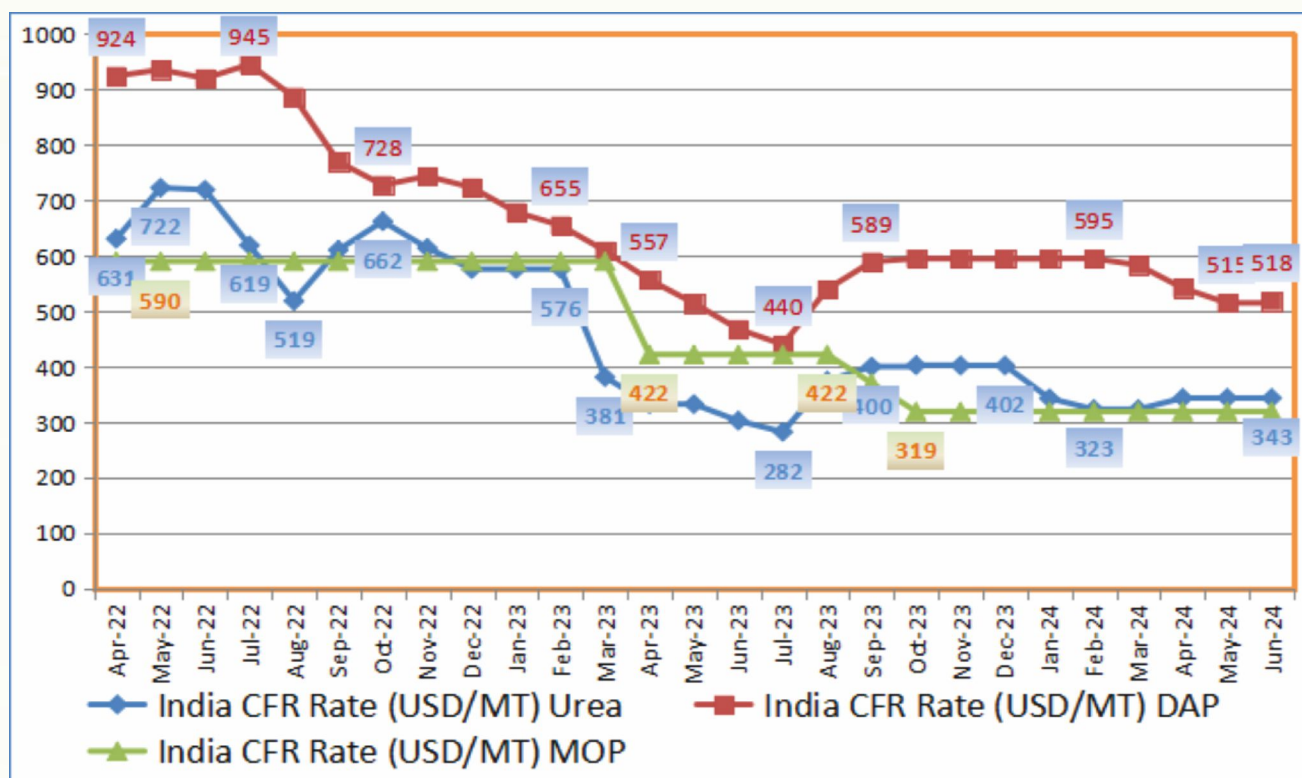
Year	Type of Fertilizer				
	Urea	DAP	NPKS	SSP	Total
2018-19	238.99	38.99	95.15	40.72	413.85
2019-20	244.58	45.50	93.34	42.53	425.95
2020-21	246.05	37.74	100.54	49.35	433.68
2021-22	250.72	42.22	89.67	53.34	435.95
2022-23	284.94	43.47	100.4	56.44	485.25
2023-24	314.09	42.97	101.85	44.44	503.35

Import of Urea during 2023-24 was 70 Lakh Metric Tonnes as compared to 76 Lakh Metric Tonnes during 2022-23, i.e. a reduction of 7 % approximately.

The details of trends in the import of major fertilizer during 2018-19 to 2023-24 that are briefly as indicated below:

Trend in Import of Fertilizers					
Year	Type of Fertilizer				
	Urea	DAP	MOP	NPKS	Total
2018-19	74.81	66.02	42.14	5.46	188.43
2019-20	91.23	48.70	36.70	7.46	184.09
2020-21	98.28	48.82	42.27	13.90	203.27
2021-22	91.36	54.62	24.60	11.70	182.28
2022-23	75.80	65.83	18.66	27.52	187.81
2023-24	70.42	55.67	28.69	22.17	176.95

2.2.3 The International Prices of Major Fertilizers such as Urea, DAP and MOP during April, 2023 to March, 2024 (in PMT) are as under:



**2.2.4** The major Operational Fertilizer manufacturing units in the country along with their production capacity are given in **Annexure-III**.

**2.2.5** The Production of Urea, DAP & Complex fertilizers during 2001-02 to 2023-24 are at **Annexure-IV**.

**2.2.6** Plant wise production of Urea during 2014-15 to 2023-24 are at **Annexure-V**.

**2.3 Major Initiatives undertaken in the Department of Fertilizers:**

**2.3.1. Namo Drone Didi Programme:**

- Hon'ble Prime Minister launched the “Namo Drone Didi (NDD)” Programme, during the Viksit Bharat Sankalp Yatra (VBSY) with an aim to provide drones to 15,000 women of Self-Help Groups (SHGs)

for the period 2023-24 to 2025-26 by giving business opportunities to them to promote the usage of drones in agriculture sector for spraying of Nano fertilizers and pesticides. The scheme will help in infusing advance technology in agriculture for improved efficiency, enhance crop yield and reduce cost of operation for the benefits of farmers.

- Fertilizer companies sponsored 1094 drones with trained pilots which provided impetus to the Namo Drone Didi schemes. These Drone Didis are attached to PMKSKs. An area of 4967.82 Hectare has been covered under spraying of Nano/Fertilizer/Pesticides and an amount of Rs.38,17,100/- is earned so far by NDDs.



**Hon'ble Prime Minister Shri Narendra Modi, with Drone Didis at ICAR, PUSA, New Delhi during Sashakt Nari Vikas Bharat Program.**





**Hon'ble Prime Minister Shri Narendra Modi handing over Drone Training Certificates to Namu Drone Didis.**

### 2.3.2 Viksit Bharat Sankalp Yatra:

- The Viksit Bharat Sankalp Yatra (VBSY) initiative was launched by the Hon'ble Prime Minister on 15<sup>th</sup> November, 2023 with an aim to promote the use of drones amongst the

farmers by demonstrations of spray of nano and water-soluble fertilizers across diverse crops and plants.

- Over **1.79 lakh** drone demonstrations have been conducted in various districts across 29 States/UTs.



**Hon'ble Prime Minister Shri Narendra Modi flagged off the Viksit Bharat Sankalp Yatra from Khunti, Jharkhand.**



**Hon'ble Prime Minister Shri Narendra Modi interacting with the beneficiaries of Viksit Bharat Sankalp Yatra (VBSY).**



**Hon'ble Union Minister Dr. Mansukh Mandaviya on the field for Drone Demonstration at Moti Dau, Mehsana, Gujarat.**



Secretary, Department of Fertilizers participated in VBSY program at Manakpur kallar, Shaheed Bhagat Singh Nagar, Mohali, Punjab.

### 2.3.3 Urea Gold:

- The Department of Fertilizers introduced Sulphur Coated Urea (SCU) i.e. “Urea Gold” after Cabinet's approval. SCU has better Nitrogen use efficiency as compared to Neem Coated Urea.
- SCU would ensure reduced water pollution & salt index, avoid soil compaction and improve crop quality & yields. RCF has initiated the production of SCU.
- Production of SCU by RCF as on 31.07.2024 was 4675 MT.

### 2.3.4 Nano Urea:

- Government of India notified the specifications of Nano Urea under Fertilizer Control Order, 1985.
- Nano Fertilizers:
  - hold great promise for application in plant nourishment because of the size-dependent qualities, high surface-volume ratio and unique optical properties.
  - Nano fertilizer releases plant nutrients in a controlled manner contributing to higher nutrient use efficiency; and easy to carry in the field.

- 6 Nano Urea units with production capacity of 27.62 crore bottles have been set up. 5 more units will be commissioned by 2025.
- 1015.28 lakh bottles of Nano Urea have been produced and 800.72 lakh bottles (500 ml each) as on 31.07.2024 have been sold.

### 2.3.5 Nano DAP:

- Government of India notified the specifications of Nano DAP under Fertilizer Control Order, 1985.
- With the use of Nano DAP as seed treatment and foliar application, there is a possibility of saving of granular DAP conventionally applied.
- 4 Nano DAP units with production capacity of 10.74 crore bottles have been set up.
- 2 more units will be commissioned by 2025. 181.61 lakh bottles of Nano DAP have been produced and 118.41 lakh bottles (500 ml each) as on 31.07.2024 have been sold.

### 2.3.6 PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother-Earth (PMPRANAM):

- PM PRANAM scheme with an objective to promote the use of alternate fertilizers (organic/

bio/nano), natural/ organic farming and resource conservation technologies in agriculture. This will reduce the dependency on chemical fertilizers.

- States/UTs reducing the consumption of chemical fertilizers would receive a grant. Subsequently, action plan from 22 States have been received.

### 2.3.7 Market Development Assistance (MDA) Scheme:

- Government has been providing assistance of ₹1,500/MT under the Market Development Assistance (MDA) scheme to promote marketing of organic fertilizers viz., Fermented Organic Manure (FOM), Liquid FOM, Phosphate Rich Organic Manure (PROM) produced at CBG/BG plants under GOBARdhan initiative. The scheme has a total outlay of ₹1,451.84 crore (FY 2023-24 to 2025-26), which includes a corpus of ₹360 crore for research gap funding etc.
- These initiatives of the Government are expected to address the imbalanced use of chemical fertilizers thereby reducing chemical fertilizer use.
- 65 CBG Plants have been registered in iFMS portal for MDA. 31 MOUs have been signed between FMCs

and CBG plants. Sale as on 01.08.2024 is 1,52,470 MTs.

### 2.3.8 Pradhan Mantri Kisan Samridhi Kendra (PMKSK):

- The existing village, block/sub district/ taluk and district level fertilizer retail shops are being converted into Pradhan Mantri Kisan Samridhi Kendra that will act as “One Stop Shop” for all the agriculture related inputs like seeds, fertilizers, pesticides, provide testing facilities for soil, water etc., and disseminate knowledge regarding Government programmes.
- The launch of PMKSK centres across the country has become excellent examples of Swachhata Campaign 3.0 initiatives with clean premises and enhanced facilities for farmers.
- As per the data provided by Fertilizer companies till date, more than 2.14 lakh existing shops have been converted completely/ partially into Model PMKSKs by concerned fertilizer companies.

### 2.3.9 One Nation One Fertilizer:

- Government of India has implemented One Nation One Fertilizers Scheme by introducing Single **Bharat** Brand for Fertilizers (Urea, DAP, NPK, MOP) and Logo

under Fertilizer subsidy scheme namely “Pradhan Mantri Bhartiya Janurvarak Pariyojna” (PMBJP).

- It has helped in increasing the availability basket of fertilizers, taken care of dilemma among farmers in choosing from plethora of brands available in the markets and streamlining the distribution of fertilizers. Presently, all the fertilizers viz. UREA, DAP, MOP & NPKS are supplied under the Bharat Branded Bags.

### 2.3.10 Direct Benefit Transfer (DBT) project for fertilizer subsidy payment:

- DoF in consultation with DA&FW has identified Farrukhabad District of Uttar Pradesh (U.P.) to conduct a pre-pilot for targeted DBT in Fertilizers. Under this proposed targeted DBT, the entitlement of subsidized Fertilizers of a Farmer will be determined by DA&FW based on the factors viz. Land Area, Cropping pattern, soil health and irrigation etc.

### 2.3.11 Efficiently managing fertilizer movement and availability - rationalization of logistics:

- The availability of Fertilizers such as Urea, DAP, NPK etc. has been comfortable in India during 2023-24 and 2024-25 (upto 31.7.2024).

Department of Fertilizers has ensured adequate availability and smooth supply of all the fertilizers across the country.

### **2.3.12 Helping neighbours through fertilizer supplies:**

- In order to ensure sufficient availability of fertilizers in India, Government of India has been facilitating Indian fertilizer companies to sign long-term agreements (LTAs), MoUs and establish joint ventures with fertilizer companies in resource rich countries so that sufficient supply of finished fertilizers as well as its raw materials/intermediates to India can be ensured.
- **Global Engagement - Long Term Agreement for Raw Materials/ Finished Fertilizers:**

#### **(i) Fertilizers supply to Bhutan:**

Royal Government of Bhutan (RGoB) has requested Government of India (GoI) for the supply of 5000 MT/year of fertilizers namely Urea, Suphala(NPK), Single Super Phosphate, Muriate of Potash and Borax for the 5 consecutive years. RGoB has also requested Government of India to supply above fertilizers to Bhutan at the subsidized rate as offered to Indian Farmers. Department of Fertilizers

has nominated Bharamputra Valley Fertilizer Corporation Limited (BVFCL) for the supply of fertilizers. BVFCL and National Seed Centre are discussing the various modalities for the import of fertilizers to Bhutan.

#### **(ii) Investment proposal in Sri Lanka:**

FCI Aravali Gypsum and Minerals India Limited (FAGMIL), which is a Miniratna II PSU under Department of Fertilizers had shared a draft proposal for mining of rock phosphate and setting a Joint Venture between FAGMIL and Lanka Phosphate Limited (90:10) for an SSP Plant with a capacity of 800 TPD. As per the plan, an investment of approximately 25-30 million USD is proposed by FAGMIL over the next three to four years. Department of Fertilizers has contacted MEA to solicit Terms of reference/inputs from the Sri Lankan side for the successful completion of the proposal.

#### **(iii) Supplying Fertilizers to Nepal:**

The Government of India and Government of Nepal, recognizing their close and longstanding ties, entered into a Memorandum of Understanding (MoU) on February 28, 2022. This MoU focuses on the supply of Urea and Diammonium

Phosphate (DAP) from India to Nepal, reinforcing their cooperation in various sectors. The recently signed MoU is a testament to the commitment of both Governments to further strengthen their age-old relationship.

Following Export permissions have been granted for supply of fertilizers to Nepal in year 2023:

- (i) 20,000 MTS of DAP
- (ii) 27,500 MTS (+/-2%) of Urea.
- (iii) 44,000 MTS (+/-2%) of Urea.

### **2.3.13 Highest ever Record Domestic production of urea in 2023-24:**

With two revived Urea plant at Sindri (Jharkhand) and Barauni (Bihar) dedicated to the Nation in 2023-24, the country achieved highest ever domestic Urea production of more than 314 LMT. In last six years, total of 6 new Urea plants have been set up in the country (2 private & 4 revived Urea plants) adding 76.2 LMT of domestic urea production capacity in the country. TFL is under implementation with physical progress upto March, 2024 is 58.10%.

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## CHAPTER- 3

# AVAILABILITY AND MOVEMENT OF MAJOR FERTILIZERS

**3.1** The requirement/demand of fertilizers for Kharif and Rabi season is assessed by Department of Agriculture & Farmers Welfare (DA&FW) in consultation with the State Government before the beginning of each cropping season. The projected requirement is communicated to Department of Fertilizers (Department of Fertilizers). Every month Movement Division prepares agreed supply plan in consultation with manufacturers and importers to meet the demand of fertilizers projected by DA&FW. State-wise availability of fertilizers as per supply plan is made and is monitored by the Department of Fertilizers.

### **3.2 Urea:**

**3.2.1** The availability of Urea remained satisfactory throughout the seasons of Kharif and Rabi 2023-24.

**3.2.2 Kharif 2023:** The assessed requirement of Urea for Kharif 2023 was **170.67** (without reserve allocation). The season started with an opening stock of **57.20 LMT** 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 **228.84 LMT** during Kharif 2023. The DBT sales were **183.95 LMT** during Kharif 2023.

**3.2.3 Rabi 2023-24:** The assessed requirement of Urea for Rabi 2023-24 was **185.41 LMT** (without reserve allocation). The season started with an opening stock of **45.02 LMT** 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 **253.64 LMT**. The sales were **173.86 LMT** during Rabi 2023-24.

### **3.3 DAP:**

**3.3.1** The availability of DAP remained satisfactory throughout the seasons of Kharif 2023 and Rabi 2023-24.

**3.3.2 Kharif 2023:** The assessed requirement of DAP for Kharif 2023 was **55.19 LMT**. The season started with an opening stock of **25.41 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 **85.69** LMT during Kharif 2023. The DBT sales were **63.95** LMT during Kharif 2023.

**3.3.3 Rabi 2023-24:** The assessed requirement of DAP for Rabi 2023-24 was **54.99** LMT. The season started with an opening stock of **21.76** LMT 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 **63.48** LMT. The DBT sales were only **45.78** LMT during Rabi 2023-24.

### **3.4 NPK:**

The availability of NPK remained satisfactory throughout the seasons of **Kharif 2023** and **Rabi 2023-24**.

**3.4.1 Kharif 2023:** The assessed requirement of NPK for Kharif 2023 was **62.71** LMT. The season started with an opening stock of **30.51** LMT 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 **97.29** LMT with the States. The DBT sales were **64.23** LMT during Kharif 2023.

**3.4.2 Rabi 2023-24:** The assessed

requirement of NPK for Rabi 2023-24 was **63.60** LMT. The season started with an opening stock of **33.24** LMT 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 **92.47** LMT. The DBT Sales were only **52.57** LMT during Rabi 2023-24.

### **3.5 MOP:**

The availability of MOP remained satisfactory throughout the seasons of Kharif 2023 and Rabi 2023-24.

**3.5.1 Kharif 2023:** The assessed requirement of MOP for Kharif 2023 was **15.02** LMT. The season started with an opening stock of **3.20** LMT with States. Efficient movement and timely import of MOP helped in ensuring adequate availability in all the States throughout the season.

**3.5.2 Rabi 2023-24:** The assessed requirement of MOP for Rabi 2023-24 was **12.60** LMT. The season started with an opening stock of **5.06** LMT 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 **15.02** LMT. The DBT sales were only **8.71** LMT during Rabi 2023-24.

## CHAPTER- 4

### FINANCIAL PERFORMANCE

#### 4.1 Budget of the Department of Fertilizers:

The Department of Fertilizers deals with disbursement of subsidy on Urea and Phosphatic and Potash (P&K) complex fertilizers under Urea Subsidy Scheme and

Nutrient Based Subsidy Policy respectively. Apart from the Secretariat budget, the budget allocations for 2023-24 and 2024-25 relating to the Department of Fertilizers are as under: -

(In crores)

Description	BE 2023-24	RE 2023-24
<b>Sectt. Economic Service (MH 3451)</b>	<b>42.51</b>	<b>43.29</b>
<b>MH 5475- Capital outlay on Gen. Econom. Serv. (excluding DBT)</b>	<b>2.44</b>	<b>2.44</b>
<b>Nutrient Based Subsidy Policy (MH 2401)</b>	<b>44000.00</b>	<b>60300.00</b>
Indigenous P&K	25500.00	32370.00
Imported P&K	18500.00	27930.00
<b>Urea Subsidy (MH 2852)</b>	<b>135083.47</b>	<b>132133.50</b>
Indigenous Urea	104063.18	102121.00
Imported Urea	31000.00	30000.00
MDA subsidy	0.00	5.00
R&D for MDA	0.00	1.00
DBT in fertilizer subsidy (this includes capital expenditure relating DBT- MH 5475)	16.94	5.00
ICFFTR	0.00	0.00
Subsidy support to Indian Shipping Companies	3.25	1.50
R&D	0.10	0.00
<b>Recovery</b>	<b>3980.00</b>	<b>3532.00</b>
<b>Assistance to PSUs</b>	<b>0.01</b>	<b>0.01</b>
<b>Capital Section – Loans for Fertilizers Industries (MH 6855)</b>	<b>0.05</b>	<b>0.05</b>
<b>Total- Department of Fertilizers (Gross)</b>	<b>179128.48</b>	<b>192479.29</b>
Total Department of Fertilizers (Net)	175148.48	188947.29

#### 4.2 Internal & Extra Budgetary Resources (IEBR):

The Internal & Extra Budgetary Resources (IEBR) generated by fertilizer CPSEs for 2023-24 i.e. FCI Aravali Gypsum &

Minerals India Limited (FAGMIL), Projects & Development India Limited (PDIL), Brahmaputra Valley Fertilizer Corporation Limited, National Fertilizers Limited (NFL) and Rastriya Chemicals & Fertilizers Limited (RCF) are as under:

(Figures Rs. in crores)

Sl. No.	Name of CPSEs	RE 2022-23	BE 2023-24	RE 2023-24	BE (2024-25)
1	BVFCL	23.37	82.49	-	26.07
2	FAGMIL	18.24	57.81	15.6	112
3	NFL	411.55	641.16	341.25	672.17
4	PDIL	4.54	5.01	-	-
5	RCF	395.20	403.39	485.02	480.97

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## CHAPTER- 5

# MEASURES OF SUPPORT FOR THE FERTILIZER SECTOR

The Department of Fertilizer is implementing schemes such as Urea Subsidy Scheme, Nutrient Based Subsidy Scheme (NBS) and Direct Benefit Transfer (DBT) projects for fertilizer subsidy payments which are implemented on a PAN India basis for ensuring adequate availability of fertilizers to the farmers:

### 5.1. Urea Subsidy Policy:

5.1.1. At present, there are 36 Gas Based / Coal Based Urea manufacturing units with installed annual capacity of 283.74 LMT approx. The profile of the Urea Industry is as under:

#### Profile of Urea Industry

- 36 area units – All gas-based area units.
- Total annual production capacity – **283.74 LMT**
- Out of 36 urea units, 6 units viz. CFCL Gadepan-III, Matix – Panagarh, RFCL – Telangana, HURL – Gorakhpur, Sindri and Barauni have recently commissioned under NIP- 2012

Sl. No.	NPS	NPS/ NUP-15	Naphtha Converted	NIP-12	Total
No. of units	2(BVFCL)	25	3(SPIC, MFCL, MFL)	6	36
Total RAC (LMT)	5.55	187.12	14.87	6 X 12.7 = 76.20	283.74

- 1 Units namely TFL-Talcher with capacity of 12.7 LMT per annum is being set up on coal gasification technology under an exclusive policy.
- Thus, total capacity is likely to become **296.44 LMT** from **2025 onwards**.

**5.1.2.** The MRP of urea is statutorily fixed by the Government of India and at present it is Rs. 242 per 45 kg of bag (exclusive of the Central/State Taxes). An extra MRP of 5 % is charged by fertilizer manufacturing entities on Neem Coated Urea. The difference between the delivered cost of fertilizers at farm gate and MRP payable by the farmer is given as subsidy to the fertilizer manufacturer/importer by the Government of India.

**5.1.3.** Urea Subsidy, is a part of Central Sector Scheme. The Scheme is wholly financed by the Government of India through Budgetary Support. Urea Subsidy Scheme has three components, i.e., Indigenous Urea, Imported Urea and Uniform Freight Subsidy. Indigenous urea subsidy is administered to the urea units towards indigenous urea production. Imported Urea subsidy is directed towards imports made to bridge the gap between assessed demand and indigenous production of urea in the country. Both components also include freight subsidy for movement of urea across the country under the Uniform Freight Subsidy Policy.

**5.1.4.** The objectives of the Urea Subsidy schemes are as under:

- (i) To ensure timely availability of adequate quantity of urea at statutory controlled price to the farmers across the country.
- (ii) To optimize indigenous urea production.
- (iii) To rationalize the subsidy outgo of the Government.
- (iv) To enable urea units in sustaining their operations and energy efficiency.
- (v) To fill up the gap between assessed demand and estimated production through imports.

**5.1.5.** The subsidy is paid to the urea manufacturing units through concession rates (Normative Cost of production under extant Urea Policies) comprising of two major components namely Fixed Cost and Variable Cost. The concession rates vary from unit to unit depending upon their vintage, energy norms, water norms, electricity, bag rates etc. The mode and methodology of computation and disbursement has been laid down in various policies (approved by CCEA) issued from time to time. The current policies by which subsidy are being paid to urea units are as under:

- (i) **New Pricing Scheme (NPS)-III and Modified New Pricing Scheme (NPS)-III: (Annexure - VI)** NPS-III and MNPS-III were notified on 8<sup>th</sup> March, 2007 and 2<sup>nd</sup> April, 2014 respectively. These policies are regarding compensation of fixed cost and variable cost e.g. the cost of bag, water charges & electricity charges to continue till further orders.
- (ii) **Removal of ambiguities in the Modified New Pricing Scheme (NPS)-III for determination of fixed costs for the urea units:** As mentioned above, Modified NPS-III was notified on 2<sup>nd</sup> April, 2014. However, due to ambiguous language of the notification, it could not be implemented. The Cabinet Committee on Economic Affairs (CCEA) has approved the proposal of Department of Fertilizers to remove ambiguities in the Modified New Pricing Scheme -III (NPS-III) for determination of fixed costs for the urea units on 13.03.2020 which was notified by Department of Fertilizers vide Notification No.12012/3/2010-FPP dated 30<sup>th</sup> March, 2020.

**New Investment Policy (NIP)-2012 and Amendment to NIP-2012:** The Government had announced New

Investment Policy (NIP)-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. Under NIP- 2012 read with its amendment, Matix Fertilizers & 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 1st October, 2017. However, it remained non-operational due to non-availability of CBM/Natural Gas since 16<sup>th</sup> November, 2017. After getting gas pipeline connectivity, Matix has restarted production w.e.f. 9<sup>th</sup> September, 2021. Chambal Fertilizers & Chemicals Limited (CFCL) has also set up a Brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III started on 1st January, 2019. Further, one closed unit of Fertilizer Corporation of India Limited (FCIL) i.e. Ramagundam Fertilizers and Chemicals Limited (RFCL) has started its commercial production on 22nd March, 2021. Gorakhpur plant was commissioned on 7<sup>th</sup> December, 2021. The Barauni & Sindri Fertilizers plants has started Urea production on 18.10.2022 and

05.11.2022 respectively. In addition, Talcher unit of FCIL is also being revived by setting up a new greenfield urea plant of 12.7 LMTPA under an exclusive policy notified on 28th April 2021.

- (iv) **New Urea Policy (NUP) - 2015:** (Annexure -VII). Based on CCEA decision, vide notification dated 25<sup>th</sup> May, 2015, Department of Fertilizers notified New Urea Policy - 2015 (NUP-2015) with the objectives of maximizing indigenous urea production, promoting energy efficiency in urea production and rationalizing subsidy burden on the Government.

As per NUP-2015, these 25 gas-based Urea units have been

classified into three groups based on their pre-set energy norms. As per Para 3.1 of NUP -2015, the revised energy norms for these units for the year 2015-16 (from 1<sup>st</sup> June 2015 onwards), 2016-17 and 2017-18 was 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. The revised energy norms for 25 urea units as per Para 3.1 of New Urea Policy-2015 were determined and notified on 15<sup>th</sup> October, 2015. Further, as per para 3.2 of NUP-2015, each group was given a target energy norm for the year 2018-2019 as per the details given below:

Group	Energy level (In Gcal/MT)	Target Energy Norm (2018-19) (In Gcal/MT)	Name/No. of Companies
Group-I	5.0 to 6.0	5.5	NFL- Vijaipur-I & II, Kribhcho-Hazira, Indo-Gulf, IFFCO -Aonla-I & II and Phulpur -II, KSFL-Shahjahanpur, CFCL -Gadepan I & II, TCL-Barbala, NFCL Kakindada I & II (Thirteen Units)
Group-II	6.0 to 7.0	6.2	IFFCO-Kalol, GSFC -Baroda, RCF -Thal, GNVFC -(Four Units)
Group-III	More than 7.0	6.5	NFL-Nangal, NFL-Panipat, Bhatinda, ZACL-GOA, SFC-KOTA, RCF-Trombay-V, IFFCO-Phulpur-I, KFCL-Kanpur(Eight Units)

Vide notification dated 14<sup>th</sup> May, 2019, the duration of New Urea Policy-2015 has been extended from 1<sup>st</sup> April, 2019 till further orders except the provisions as amended already vide notification dated 28<sup>th</sup> March, 2018 which was further extended till 30<sup>th</sup> September, 2020 vide notification dated 7<sup>th</sup> July, 2020. The provisions have been further modified vide Notification dated 18<sup>th</sup> November, 2022. Provisions of notifications dated 28<sup>th</sup> March 2018, 7<sup>th</sup> July, 2020 and 18<sup>th</sup> November, 2022 are discussed in separate paras.

The compensation for other variable cost e.g. the cost of bag, water charges & electricity charges and fixed cost is determined in accordance with existing provisions of NPS-III and Modified NPS-III. NUP-2015 covers 25 gas based existing urea units.

- (v) **Notification dated 17<sup>th</sup> June, 2015 (Annexure -VIII)** - Applicable to 3 naphtha-based units (Madras Fertilizers Limited- Manali, Southern Petrochemicals Industries Corporation- Tuticorin and Mangalore Chemicals & Fertilizers Limited). 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, 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. Energy norms for these 3 units were also prescribed and a target energy norm of 6.5 Gcal/MT was given from 2018-2019 which was later decided to be from 2020-2021.

- (vi) **Revision of Energy Norms under New Urea Policy (NUP) - 2015, Notification dated 28<sup>th</sup> March, 2018: (Annexure-IX).** With the approval of the CCEA, Department of Fertilizers vide notification dated 28<sup>th</sup> March, 2018, has approved the following decisions with regard to Target Energy Norms given to all urea manufacturing units (except BVFCL):
- 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.

- 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.

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. The three Naphtha based urea units viz., MFL, MCFL, SPIC is 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.

**Note:** *After getting the gas pipeline connectivity, MFL-Manali, MCFL-Mangalore and SPIC-Tuticorin have started their production on natural gas feedstock since 29<sup>th</sup> July, 2019, 12<sup>th</sup> December, 2020 and 13<sup>th</sup> March, 2021 respectively.*

- (vii) **Revision of Energy Norms under New Urea Policy (NUP) – 2015, Notification dated 7<sup>th</sup> July, 2020: (Annexure-X.)** Department of Fertilizers vide notification dated 7<sup>th</sup> July, 2020, extended the existing energy norms under New Urea Policy-2015 for 14 urea

manufacturing units till 30<sup>th</sup> September, 2020 with enhanced penalty of 10% of the difference between NUP existing energy norm and target energy norms of NUP-2015. The revised energy norms have been implemented w.e.f. 1st October, 2020.

**(viii) Notification dated 18<sup>th</sup> November, 2022:** Vide Notification dated 18<sup>th</sup> November, 2022, Department of Fertilizers has notified CCEA's approval as under:

(a) The provisions of notification dated 7<sup>th</sup> July, 2020 extended for 14 urea manufacturing units viz, KRIBHCO-Hazira, NFL-Vijaipur-I, NFCL-Kakinada-I, KFCL-Shahjahanpur, NFCL-Kakinada-II, GNFC-Bharuch, GSFC-Vadodara, KFCL-Kanpur, SFC-Kota, RCF-Trombay-V, ZACL-Goa, NFL-Nangal, NFL-Bathinda and NFL-Panipat up to 30<sup>th</sup> September, 2022 or till the units achieve the Target Energy Norms (TEN), whichever is earlier, with the penalty equivalent to 10% energy of difference between NUP energy norms and target energy norms of NUP-2015 from 1<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2022.

(b) An additional penalty of 2% will be imposed on all the units which are

not TEN compliant w.e.f. 1<sup>st</sup> October, 2022. This additional penalty along with the penalty imposed earlier will be in effect till 31<sup>st</sup> March, 2023, by which date all units should mandatorily be TEN compliant and no further extension will be allowed.

(c) In case, the six urea manufacturing units namely KRIBHCO-Hazira, NFCL-Kakinada-I, NFCL-Kakinada-II, GSFC-Vadodara, RCF-Trombay-V and ZACL-Goa (after excluding the 8 urea manufacturing units which have either successfully implemented the ESS or are being allowed to use coal as mix of energy) are not able to meet the TEN even by the extended timeline of 31<sup>st</sup> March, 2023, Department of Fertilizer would move a proposal after in depth examination, for consideration of Department of Expenditure and the said proposal would be examined on its own merit.

**(ix) Revision of Energy Norms under New Urea Policy (NUP) - 2015 dated 31st March, 2023.** Vide notification dated 31<sup>st</sup> March, 2023, Target Energy Norms (TEN) of NUP-2015 were enforced on the aforesaid 7 units as envisaged in the notification dated 18<sup>th</sup> November, 2022 as per details given below: -

S. No.	Name of Unit	Date of TEN enforcement
1.	KRIBHCO-Hazira	1 <sup>st</sup> October, 2020
2.	RCF-Trombay	1 <sup>st</sup> April, 2021
3.	KFL-Sahjahanpur	1 <sup>st</sup> July, 2021
4.	GNFC-Bharuch	1 <sup>st</sup> July, 2021
5.	NFL-Nangal, NFL-Panipat and NFL-Bathinda	1 <sup>st</sup> April, 2022

- (x) **Notification dated 14th August, 2023, 14th June, 2024 and 15th April 2024.** In case of two units namely, SFC-Kota and KFCL-Kanpur which are being allowed to use coal as mix of energy, Expert Group constituted under NITI Aayog has been requested to examine the energy norms of SFC-Kota and KFCL-Kanpur and to recommend the revised TEN for these units. In the meantime, with the approval of Competent Authority and concurrence of DoE, the Revised Energy Norms (REN) of these units are extended with deduction of 30% of the difference between REN and TEN till 31st March, 2025 or till fixation of revised TEN of these units, whichever is earlier vide notifications dated 14th August, 2023 and 14th June, 2024.

In case of PPL-Goa, with the approval of Competent Authority and concurrence of DoE, the REN is extended with the penalty of 30% of the difference between REN and TEN prescribed under NUP-2015 (TEN) till 31<sup>st</sup> December, 2023 or till PPL-Goa achieves the TEN,

whichever is earlier, vide notification dated 14th August, 2023. Accordingly, TEN enforced on PPL-Goa w.e.f. 1st January, 2024.

In case of GSFC, vide notification dated 14th August, 2023, the REN of NUP 2015 has been extended till 31st March, 2024 with the penalty of 30% of the difference between REN and TEN or till the unit achieves the TEN, whichever is earlier. Vide notification dated 15<sup>th</sup> April 2024, the REN of GSFC - Baroda were further extended with the penalty of 35% of the difference between their Revised Energy Norms (REN) and Target Energy Norms (TEN) prescribed under NUP-2015 for a period up to 31.12.2024 or till GSFC- Baroda achieve TEN, whichever is earlier. Thereafter, no further extension will be allowed.

In case of NFL- Vijaipur -I, as per DoF's notification dated 15th April 2024, the REN of NFL- Vijaipur -I under NUP-2015 were extended with the penalty of 35% of the difference between their Revised

Energy Norms (REN) and Target Energy Norms (TEN) prescribed under NUP-2015 for a period up to 31.12.2024 or till NFL-Vijaipur-I achieve TEN, whichever is earlier. Thereafter, no further extension will be allowed.

**5.1.6** NITI Aayog vide OM dated 25th August, 2023 has re-constituted an Expert Group with following Terms of Reference (TOR):

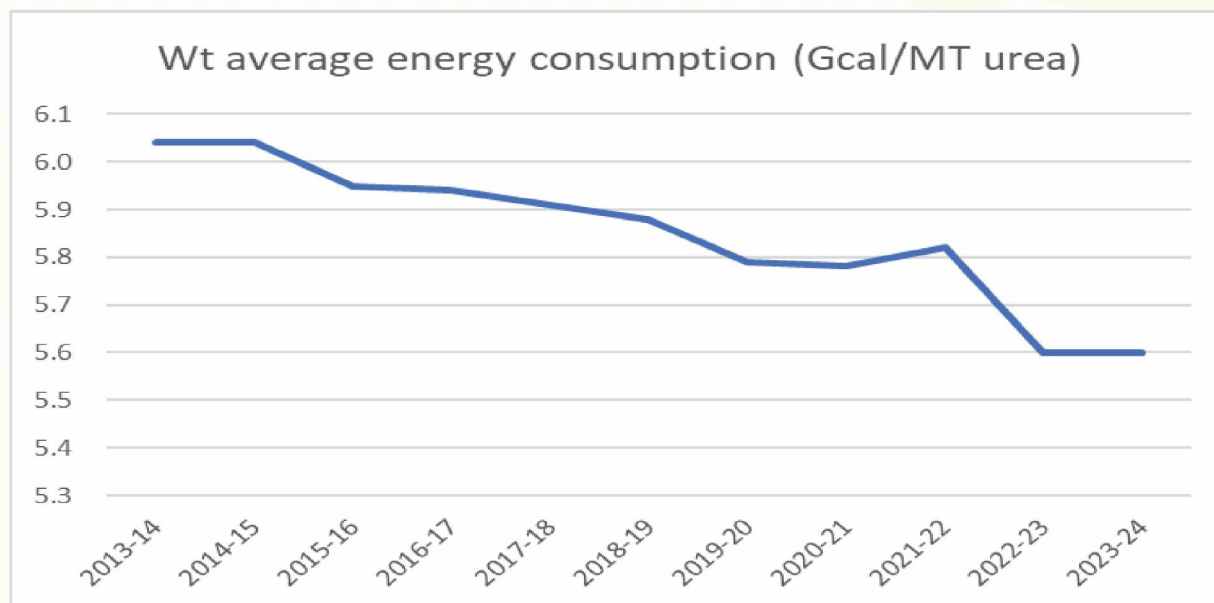
- To give recommendations with regard to Target Energy norms to be achieved from 1st April, 2025 by all twenty- five gas based urea units covered under New Urea Policy (NUP) -2015. (Recommendations to be made within one year).
- To give recommendations with regard to revised target energy norms for coal-based plants SFC-Kota and KFCL Kanpur under NUP-2015 which has been allowed to continue the use of coal in their energy mix.
- To give recommendations with regard to Specific (Target) Energy Norms to be achieved from 1st April 2025 by Naphtha converted units viz MCFL, Mangalore, SPIC-Tuticorin and MFL, Madras.
- To suggest application of energy efficiency technology for optimization and consistent performance in terms of urea production. To explore the

possibility of gainful use of hydrogen in urea production aligned with India's commitment to climate change and evolving energy scenario across the globe.

- Any other matter that may be assigned to the Expert Body by the Department of Fertilizers or that the Expert Body considers germane to the above issue. The Expert Group may co-opt additional Members as may be deemed necessary. The Technical Support to the Group shall be provided by the Department of Fertilizers.

**5.1.7** The trends in weighted Average Energy Consumption of Urea Plants over the years till 2023-24 are as under:

Year	Wt. average energy consumption (Gcal/MT urea)
<b>2013-14</b>	<b>6.04</b>
<b>2014-15</b>	<b>6.04</b>
<b>2015-16</b>	<b>5.95</b>
<b>2016-17</b>	<b>5.94</b>
<b>2017-18</b>	<b>5.91</b>
<b>2018-19</b>	<b>5.88</b>
<b>2019-20</b>	<b>5.79</b>
<b>2020-21</b>	<b>5.78</b>
<b>2021-22</b>	<b>5.82</b>
<b>2022-23</b>	<b>5.60</b>
<b>2023-24</b>	<b>5.60</b>



#### 5.1.8. Uniform Freight Policy (UFP) -2008:

Uniform freight policy (UFP) has been implemented with effect from 1<sup>st</sup> April, 2008 vide notification dated 17<sup>th</sup> July, 2008. The objective of the UFP is to ensure availability of fertilizers, especially during the peak demand period, in all parts of the country and to implement the freight reimbursement in line with NPS-III. Based on the recommendations of Tariff Commission, the slab-wise rates in respect of primary road movement upto 500 Kms are notified annually. The escalated/de-escalated Per Tonne Per kilometer (PTPK) rates for road transportation in the case of secondary movement of fertilizers are also notified by Department of Fertilizers.

#### 5.1.9. Exclusive subsidy policy for Urea produced through coal gasification

route by Talcher Fertilizer Limited (TFL) dated 28th April, 2021. (Annexure-XI). Considering the strategic advantage of the location of erstwhile Talcher Fertilizers Plant in close proximity with the coal mines and developing an alternate feedstock for manufacture of urea, the Department of Fertilizers explored the possibility of reviving the Talcher Fertilizers plant through Coal Gasification route. It was decided to revive the erstwhile Talcher plant of FCIL on coal gasification technology on nomination basis through a consortium of Rastriya Chemicals and Fertilizers (RCF), Gas Authority of India Limited (GAIL) and Coal India Limited (CIL). It was also decided that it is essential to ring-fence urea policy for TFL due to first

of its kind plant in coal gasification. Accordingly, Department of Fertilizers submitted a CCEA Note under which exclusive subsidy policy for TFL was proposed. The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on the 20th April, 2021 has approved that the concession rate/subsidy for the urea produced through coal gasification route by Talcher Fertilizers Ltd (TFL) for a period of 8 years from the date of start of production will be determined by providing 12% Post Tax IRR on equity. The same has been notified vide Department of Fertilizers notification dated 28th April, 2021.

**5.1.10. Dealer / distribution margin: (Annexure-XII).**

The Distribution/Dealer Margin for the sale of urea was last notified on 18<sup>th</sup> June, 1999. An amount of Rs. 180/- per metric tonne for sales through private trade and Rs. 200/- per metric tonne for sales through institutional agencies was paid. Consequent upon implementation of DBT in fertilizer sector, various representations were received in Department of Fertilizers from Dealers and Fertilizer Companies to increase the Distribution/Dealer Margin to ensure financial viability. The Government of India

considered the demand and vide notification dated 28<sup>th</sup> March, 2018, Department of Fertilizers 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 has enhanced the financial viability of around 23000 Dealers/Distributors post DBT implementation.

**5.1.11.** Rs. 50/MT is paid as retailer margin for the cost towards purchase of POS devices, Annual Maintenance Contract (AMC) of PoS Devices and for acknowledging the receipt by retailers of fertilizers in iFMS as per Department of Fertilizers notification dated 20<sup>th</sup> May 2019.

**5.1.12. Neem Coated Urea: (Annexure-XIII).** Normal Urea (NU) with a coating of neem is called Neem Coated Urea (NCU). Continued efforts of the researchers led to the development of a natural process to increase the nitrogen use efficiency (NUE) in crops. Neem has proved to be a significantly superior material over other coating agents in terms of many agronomic traits such as growth, yield attributes, grain and straw yields, nitrogen uptake and apparent Nitrogen (N) recovery.

Further, there are added advantages of NCU over NU as it turns fast releasing urea to slow releasing, leaching of unabsorbed nitrogen to ground water aquifers or to the open air by improving NUE in terms of N-uptake and use efficiency by the crops. Keeping in view the added advantages of Neem Coated Urea, the Government with the approval of CCEA, 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 was increased from 20% to a maximum of 35% of the total production vide notification dated 11th January, 2011. Further, the Government, vide notification dated 7th January, 2015 removed the cap/restriction to produce Neem Coated Urea and vide subsequent notification dated 24th March, 2015 made it mandatory for all the indigenous producers of urea to produce 75% of their total production of subsidized urea as Neem Coated Urea. With the

objective of increasing NUE which results in increased soil fertility & enhanced crop yield and to prevent diversion of urea for the purposes other than agriculture, Cabinet Committee on Economic Affairs (CCEA) chaired by Hon'ble Prime Minister on 13<sup>th</sup> May 2015, decided to make it mandatory to produce entire production as neem coated urea. Accordingly, the notification was issued on 25th May, 2015 by Department of Fertilizers. Entire quantity of indigenously produced urea and imported urea is being neem coated w.e.f. 1st September, 2015 and 1st December, 2015 respectively.

**5.1.13.** Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) was entrusted to conduct a study to determine the impact of Neem Coated Urea. As per the final report prepared by Agricultural Development and Rural Transformation Centre (ADRTC), Bengaluru, Neem Coated Urea has led to:

- (i) Improvement in soil quality.
- (ii) Decrease in cost of pest & disease control and weed management.
- (iii) Improvement in the yield of all crops and their by-products.

- (iv) Highest incremental income in case of tur, followed by sugarcane, soybean, paddy, jute and maize crops.

Subsequent to introduction of Neem coating of urea, it was reported from the field that this initiative has been well received by farmers. One of the primary benefits of Neem coating is that due to slow release, the consumption of NCU reduces as compared to normal urea.

**5.1.14. Introduction of 45 kg bag of urea:**

(Annexure-XIV). Subsequent to introduction of Neem Coated Urea (NCU) and to promote balanced use of fertilizers, it was felt that if urea is made available in 45 Kg bags instead of 50 Kg, the consumption of urea may come down as NCU increases Nitrogen use efficiency due to slow release. Therefore, Department of Fertilizers vide Notification dated 4<sup>th</sup> September, 2017, introduced 45 Kg bag of Urea in place of 50 Kg bag. The MRP of 50 Kg bag of urea was Rs. 268 per bag (exclusive of charges towards neem coating and taxes as applicable) whereas the MRP of 45 Kg bag of urea @ Rs. 242 per bag (exclusive of charges towards neem coating and taxes as applicable) has been fixed keeping in view the proportionate decrease in MRP of 45 Kg bag along-with increase in bag

cost due to increase in number of bags. The MRP of 45 kg bag of urea was notified by Department of Agriculture & Farmers' Welfare (DA&FW) vide gazette notification dated 1<sup>st</sup> March, 2018.

**5.2. P&K Subsidy Policy:**

**5.2.1.** All P&K fertilizers are covered under Open General License (OGL) regime and are imported by the companies on commercially viable terms. Government facilitates the imports of the fertilizers/ raw materials by the P&K fertilizer companies from the other fertilizer companies through long term MoUs/ agreements etc.

**5.2.2.** Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on subsidized P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Accordingly, the rupees per kg subsidy rates for P&K fertilizers under the NBS Scheme for Kharif 2023-24 and Rabi 2023-24 are as under:



Sl.No.	Nutrients	NBS rates for Kharif 2023-24 (Rs. Per kg of nutrient) (from 1.04.2023 to 30.9.2023)	NBS rates for Rabi 2023- 24 (Rs. Per kg of nutrient) (from 1.10.2023 to 31.03.2024)
		in Rs. /Kg	in Rs. /Kg
1.	N	76.49	47.02
2.	P	41.03	20.82
3.	K	15.91	2.38
4.	S	2.80	1.89

➤ An additional subsidy is also provided for subsidized P&K fertilizers covered under NBS Scheme fortified with Boron @Rs.300/MT and Zinc @Rs. 500/MT.

➤ Upto Rabi 2023-24, NBS was applicable on 25 grades of P&K fertilizers including DAP, MOP, SSP etc. From Kharif 2024, 3 new fertilizer grades namely NPK (11:30:14) fortified with Magnesium, Zinc, Boron & Sulphur, Urea- SSP (5:15:0:10) and SSP (0:16:0:11) fortified with Magnesium Zinc & Boron have been included in NBS Scheme.

**5.2.3.** 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.

**5.2.4.** Under NBS policy, companies are allowed to fix the MRP on their own. The intention behind introduction of NBS was to increase competition among the fertilizer companies to facilitate availability of diversified products in the market at reasonable prices. However, the prices of P&K fertilizers have gone up substantially and doubts have been raised about reasonableness of the prices fixed by the companies. The prices have gone up substantially on the account of increase in prices of raw materials / finished fertilizers in international market, depreciation of Indian rupee w.r.t. US Dollar and also due perhaps to larger profit margins by the companies. This has led to lot of hue and cry from the various quarters and has also lead 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, Department of Fertilizers, 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.

**5.2.5** The Department of Fertilizers vide its O.M. dated 15.11.2019 finalized the reasonableness guidelines to check the reasonability of MRP of final P&K fertilizers products. The profit of 12 % over and above the cost of production of final P&K product is treated as unreasonable. The cost data analysis exercise is done in the department through FICC to calculate the Cost of production of final P&K fertilizers registered under NBS scheme.

### **5.3. 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 up to 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 up to 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.)	Rates 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 fertilizers (excluding SSP) is reimbursed as per the actual claims subject to equivalent rail freight to be announced by Department of Fertilizers 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.
- (v) Movement of fertilizers is also allowed through Coastal Shipping/ Inland waterways along with the Road movement that follow the Coastal movement/Inland water movement up to the rake point in the destination district to make it qualify for reimbursement of freight subsidy under the Primary movement.

Now, W.e.f 1.9.2022 Single Super Phosphate (SSP) has been included under freight subsidy regime for Kharif-2022 on pilot basis.

- i. Freight subsidy shall be admissible to those units only to whom supply plan has been issued by D/o Fertilizers.
- ii. Freight subsidy is allowed for movement of SSP beyond 200 kms only.
- iii. Rail freight would be admissible on actual basis beyond 200 kms.

The reimbursement for road movement above 200 km and upto 500 Kms, would be admissible on actual basis or following slabs, whichever is lower: -

Movement up to (KM)	Rate Rs. Per MT
0-200	No subsidy
201-300	316
301-400	407
401-500(maximum)	500

- i. There shall be no reimbursement on account of Secondary Movement by road from Destination Rake Point to block headquarter in the district.

- ii. The freight subsidy along-with penal interest paid shall be recovered from the subsequent bills on failure of SSP samples based on Quality Certificates (B-2) issued by State Agricultural Department or any accredited lab.
- iii. Any misuse of the above policy would attract strict penal action from D/o Fertilizers. The decision taken by the Department shall be binding on the SSP manufacturer/ Aggregator.
- iv. All disputes regarding the above would be settled at with jurisdiction of the Courts at Delhi.
- v. Special compensation on account of secondary freight for all the P&K fertilizers shall be provided for difficult areas namely Himachal Pradesh, Uttarakhand, Sikkim, J&K, Ladakh, 7 N-E States, Andaman & Nicobar Islands. The rates for special compensation would be governed by Department of Fertilizers guidelines dated 23.07.2012 for these difficult States/ UT's.

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# CHAPTER- 6

## PUBLIC SECTOR UNDERTAKING

### 6.1 FERTILIZER CORPORATION OF INDIA LIMITED (FCIL)

#### 1. Brief Overview:

Fertilizer Corporation of India Limited (FCIL) has five units at Sindri (Jharkhand), Gorakhpur (Uttar Pradesh), Ramagundam (Telangana) & Talcher (Odisha) and Korba Project (Chhattisgarh).

#### 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 sizeable 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 fertilizers,

Government of India in October, 2008, constituted an Empowered Committee of Secretaries (ECoS) to evaluate all options of revival of closed units of FCIL.

On the recommendations of ECoS, CCEA approved on 04.08.2011 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 09.05.2013 waiver of GoI loan and interest, in order to turn the net worth of FCIL positive. Subsequently, Board for Industrial and Financial Reconstruction (BIFR) de-registered FCIL from its purview on 27.06.2013. At present, FCIL has one employee on its roll.

#### Vision/Mission:

To revive the approved 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.

## 2. Industrial/Business Operations (Previous Year & Current Year projections):

### 2.1 Financial Performance:

(Rupees in Crore)

Parameter	2022-23	2023-24
Other Income	71.76	64.47
Profit Before Tax	58.78	50.90
Profit After Tax	46.82	37.85

## 3. Performance Highlights:

### 3.1 Production Performance:

#### a) Ramagundam Unit: (Production by RFCL-JV of FCIL):

(in LMT)

Products	2022-23	2023-24
Urea	8.40	11.14
Ammonia	5.00	6.38

#### b) Gorakhpur Unit: (Production by HURL-JV of FCIL):

(in LMT)

Products	2022-23	2023-24
Urea	8.66	13.50
Ammonia	5.00	7.68

#### c) Sindri Unit: (Production by HURL-JV of FCIL):

(in LMT)

Products	2022-23	2023-24
Urea	1.74	11.44
Ammonia	1.13	6.60

**3.2 New Investments/ Projects:** The land & infrastructure of the Units have been put to use by the Joint Ventures of nominated PSUs. FCIL has been provided 11% equity (except TFL where equity is 4.45%) in lieu of the infrastructure & land being utilized by them as per long

term lease agreements.

## 4. Progress of revival of closed Units of the Company by JV (RFCL, HURL & TFL)

### 4.1. Ramagundam Unit:

- A Joint Venture Company, namely 'Ramagundam Fertilizers &

Chemicals Limited' (RFCL) has been incorporated by the nominated PSUs, namely, EIL, NFL and FCIL to set-up a gas-based fertilizer plant with a capacity of 12.7 lakh MT per annum.

- FCIL has been given 11% equity in lieu of providing land use, usable assets and opportunity cost.
- Concession Agreement, Lease Agreement & Substitution Agreement have been signed with FCIL.
- RFCL has started commercial production w.e.f. 22.03.2021.

#### **4.2 Sindri & Gorakhpur Units:**

- Union Cabinet decided on 13.07.2016 to revive Sindri & Gorakhpur Units of FCIL, by a Joint Venture Company of nominated PSUs, namely, NTPC, CIL & IOCL to set up gas-based fertilizer plants with a capacity of 12.7 lakh MT per annum each.
- FCIL & HFCL would also be Joint Venture partners, which would receive 10.99% of equity in each of the projects in lieu of land use, usable assets & opportunity cost.
- 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)' was incorporated for the purpose of revival of the units.

- Concession Agreements, Lease Agreements & Substitution Agreements have been signed with FCIL. Commercial production has already started on 03.05.2022 and 15.04.2023 in Gorakhpur and Sindri plants respectively.

#### **4.3 Talcher Unit:**

- A Joint Venture company, namely, Talcher Fertilizers Limited (TFL) has been incorporated by the nominated PSUs, namely, RCF, GAIL, CIL and FCIL to set-up a coal-based fertilizer plant with a capacity of 12.7 lakh MT per annum.
- FCIL has been given 4.45% equity in lieu of providing land use, usable assets and opportunity cost. The job on project is under progress.
- Pre-project activities have been completed. Project activities are in progress by various LSTK and Non-LSTK contract firms.
- Presently, 21 nos. of firms are engaged in the on-going construction work. In the meantime, the coal linkage has been finalized with M/s Mahanadi Coalfields Limited (MCL).

- Concession Agreement and Substitution Agreement have been signed between FCIL & TFL, duly approved by the Empowered Committee of Secretaries (ECoS).
- The physical progress of Talcher Fertilizers Plant as on 31.03.2024 is 58.10%.

## 6.2 National Fertilizers Limited (NFL)

### 1. **Brief Overview:**

National Fertilizers Limited (NFL), a 'Navratna' company, was incorporated on 23<sup>rd</sup> August, 1974 and has its Corporate Office at Noida, Uttar Pradesh. It has an authorized capital of ₹1000 crore and a paid-up capital of ₹490.58 crore out of which Government of India's share is 74.71% and 25.29% is held by financial institutions & others.

NFL has five gas-based Ammonia-Urea plants viz. Nangal & Bathinda plants in Punjab, Panipat plant in Haryana and two plants at Vijaipur, District Guna in Madhya Pradesh. The company currently has a total annual installed capacity of 35.68 LMT & it is the 2<sup>nd</sup> largest producer of Urea in the country with a share of about 14% of total Urea production in the country.

Besides manufacturing of Urea, the

company also produces five strains of Bio-fertilizers [namely, Azotobacter, Rhizobium, Phosphate Solubilizing Bacteria (PSB), Zinc Solubilizing Bacteria (ZSB) and Potassium solubilizing bacteria (KSB)], Bentonite Sulphur (a value-added product to address the deficiency of Sulphur in soil), and various industrial chemicals like Nitric Acid, Ammonium Nitrate, Sodium Nitrate & Nitrite and Certified Seeds under its flagship Seeds Multiplication Program.

Apart from manufacturing, NFL is also engaged in trading of various agro-products such as imported fertilizers, certified seeds, Agro Chemicals, city compost, Water Soluble Fertilizers, Micronutrient and Potash Derived from Molasses etc.

NFL is now a multi-product company with pan-India presence under the brand name popularly known in the market as "KISAN" for non-subsidized products. NFL has been granted "Navratna status" vide DPE OM dated 18-04-2024.

- ### 2. **Vision / Mission:** The vision of the NFL is "To be a leading Indian company in fertilizers and beyond with commitment to all stakeholders".



The mission is “To be a dynamic organization committed to serving the farming community and other customers to their satisfaction through timely supply of fertilizers and other products & services,

continually striving to achieve the highest standards in quality, safety, ethics, professionalism and energy conservation with a concern for ecology and maximizing the returns to stakeholders”.

### 3. Industrial / Business Operations:

#### 3.1 Physical Performance:

Production	Unit	Annual Re-Assessed/ Installed Capacity	2022-23		2023-24	
			Production	Capacity Utilization w.r.t. Re-Assessed/ Installed Capacity (%)	Actual Production up to March 2024	Capacity Utilization (%) w.r.t. Re-Assessed /Installed Capacity
Urea	LMT	35.68*	39.35	121.79	36.89	114.18
Bio-Fertilizers	MT	700	654	93.43	661	94.43
Bentonite Sulphur	MT	25000	22302	89.21	20237	80.95
Nitric Acid	MT	91400 <sup>#</sup>	103102	112.80	120817	132.18
Ammonium Nitrate (AN)	MT	118800 <sup>@</sup>	26045	21.92	40510	34.10
Sodium Nitrate	MT	1980	1191	60.15	1222	61.72
Sodium Nitrite	MT	2970	1933	65.08	2520	84.85
Certified Seeds - Under SMP	Qtls.	92000	234423	254.81	35689	38.79
Agro Chemicals (Bathinda) <sup>\$</sup>	(KL/ MT)	3306	-	-	-	-

\* 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.

<sup>#</sup>Installed Capacity of 182800 MT for two streams.

<sup>@</sup> Installed Capacity 237600 MT for two streams, however, presently only one stream is in operation.

<sup>\$</sup> Agrochemicals plant at Bathinda is expected to be commissioned shortly.

#### 3.2 Sales Performance:

Marketing / Sale	Sales (2022-23)	Sales (2023-24)
<b>Own Manufactured</b>		
Urea (LMT)	39.96	36.66
Bio-Fertilizers (MT)	700	558
Bentonite Sulphur (MT)	20910	20568

Nitric Acid (MT)	82095	88280
Ammonium Nitrate (MT)	26038	40454
Sodium Nitrate (MT)	1188	1219
Sodium Nitrite (MT)	1927	2522
<b>RFCL Urea (LMT)</b>	8.39	11.08
<b>Imported Fertilizers</b>		
DAP (LMT)	9.72	9.99
MoP (LMT)	-	0.71
NPK (LMT)	1.11	2.34
APS (LMT)	1.34	2.78
Total	12.17	15.82
Urea Govt. A/c (LMT)	5.36	5.46
SSP (MT)	17671	-
Compost (MT)	22071	19129
Water Soluble Fertilizers (MT)	2455	818
Potash Derived from Molasses (MT)	19833	23810
Fermented Organic Manure (MT)	-	125
Nano Urea (Ltr.)	-	75084
<b>Seeds (Quintals)</b>		
Own Seeds under SMP	160334	223797
Agro Chemicals (Kg/Ltr.) (Traded only)	2213.76	2532.99

### 3.3 Financial Performance:

(Rupees in Crore)

Item	FY 2022-23	FY 2023-24
Revenue from Operations	29616.52	23560.31
Profit Before Tax	609.77	88.52
Profit After Tax	456.10	64.74

#### 4. Major Performance Highlights of NFL for the year 2023-24:

1. Highest ever sale of all fertilizers of 69.73 Lakh MT.
2. Highest ever sale of imported P&K fertilizers of 15.83 LMT.
3. Best ever sale of Nitric Acid & Ammonium Nitrate of 88280 MT & 40454 MT respectively.
4. Nano-Urea liquid fertilizer sale initiated with 75084 ltrs during the year 2023-24.

#### 5. New Investments/Projects:

##### 5.1 Implemented:

- 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 a revised estimated cost of ₹ 6338.16 crore (Revised cost) 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 HT Ramagundam-3.90%, Danish Agribusiness fund- 3.90% and IFU- 3.90%). The project was commissioned on 22-03-2021.

NFL has also been mandated to market 100% of Urea to be produced by RFCL. During 2023-24, 11.08 Lakh MT of RFCL Urea sold by NFL.

- b) In order to meet the new energy norms stipulated under NUP-2015, the company has commissioned Gas Turbine Generators along with Heat Recovery Steam Generation (HRSG) Unit at Panipat, Bathinda & Nangal Units with a total project cost of Rs. 675 crores in FY 2021-22.
- c) Energy reduction schemes at Vijaipur I and II Units with estimated cost of INR 235 crore implemented during 2021-22.
- d) NFL has commissioned three Seeds Processing Units at Bathinda, Panipat and Indore. NFL would be processing the seeds to be grown & harvested under its flagship Seed Multiplication Program which was otherwise being processed through outsourcing to third party. The total seeds processing capacity of the company after commissioning of all the 3 plants is 1.20 Lakh quintals.
- e) 2nd Stream of Nitric Acid plant at Nangal revived in the month of October 2022.

##### 5.2 Under way:

- f) In order to be self-sufficient in Agro-Chemicals business, NFL is setting

up an Agro-chemical manufacturing facilities at Bathinda with total Capex of the project approx. Rs. 12.57 crore. The plant is expected to be completed by June, 2024.

- g) Sulphur Coated Urea (Urea Gold) pilot plant of capacity 5000 MT/year is being set up at Panipat.
- h) Expansion of Bio-Fertilizer plant at Vijaipur by doubling the capacity from 700 MT to 1400 MT per annum
- i) NFL is in the process of manufacturing Nano fertilizer with advanced technology.

**5.3 Envisaged:**

Techno-Economic Feasibility for following plants is being assessed:

- a) Bentonite Sulphur (BS) plant at NFL, Vijaipur.
- b) Diesel Exhaust Fluid (DEF) plant at NFL Panipat.
- c) Water Soluble Fertilizers (WSF) and Micro Nutrients (MN) plant at NFL Vijaipur.

**5.4 Revival of sick/Weak Units- Status / Action plan**

As mentioned above, NFL already revived closed Urea plant of FCIL at Ramagundam through Joint venture entity viz. Ramagundam Fertilizers & Chemicals Limited (RFCL) which was commissioned in March 2021. **RFCL Plant dedicated to the nation by Honorable Prime Minister Shri Narendra Modi on 12-11-2022.**

**6. Human Resource Management:**

**6.1 Manpower:**

As on 31-03-2024

Group	Total number of employees	Number of SC / ST / OBC / EXSM / PwBD				
		SC	ST	OBC	EXSM*	PwBD**
A	1245	229	55	180	1	6
B (Officers)	117	33	10	9	0	5
B (Workers)	796	192	36	101	2	8
C	519	83	34	166	15	27
D	42	10	1	17	2	1
D (Safai Sewaks)	20	20	0	0	0	0
<b>Total</b>	<b>2739</b>	<b>567</b>	<b>136</b>	<b>473</b>	<b>20</b>	<b>47</b>

\* EXSM – Ex- Servicemen      \*\* PwBD – Persons with Benchmark Disability

## 6.2 Grievance Redressal:

A "Grievance Redressal Cell" for employees is functional at NFL, Corporate Office & all the Units. 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). During 2023-24, 36 grievances were received & resolved.

**6.3 Welfare of Minorities:** NFL believes in equality of all communities and follows all Government regulations on empowerment of minorities such as representation of the minority communities on interview board.

## 6.4 Welfare, Development and Empowerment of Women:

Female employees comprise 7% of the total workforce of the NFL. The NFL has adopted adequate measures to facilitate a congenial work atmosphere for its women employees. There is no instance of any gender inequality and both men and women employees are enjoying equal rights. The working atmosphere is very cordial and harmonious.

Further, Internal Complaint Committees have been constituted in all Units and Corporate Office to inquire into the complaints of sexual harassment in National Fertilizers Limited. NFL Employees (Conduct, Discipline and Appeal) Rules and Standing Orders have included sexual harassment of women at workplace as 'Misconduct'.

## 6.5 Welfare of SCs/STs/OBCs:

An Implementation Cell is already functional in all Units / Offices of the NFL to oversee the implementation of Reservation Policy for SCs/STs/OBCs. Liaison Officers have been appointed in each Unit/Office to ensure due compliance of orders and instructions pertaining to reservation for SCs/STs/OBCs and other concessions admissible to them. The Liaison Officers normally belong to Middle/Senior management level.

## 6.6 Training:

- During 2023-24, 12483 man-days training were imparted to employees of NFL out of which 1250 man-days training were imparted to women employees, i.e., 9.9 man-days training to each employee.
- During FY 2023-24, NFL has imparted 450 nos. of in-house training programs to employees

through internal and external faculty at NFL plants, Zonal Offices and Corporate Office.

- Employees were nominated to 100 external programs and webinar organized by reputed training institutes like FAI, SCOPE, AIMA, ASCI, AJNIFM, ICSI, CII, ISTM and NAHRD.

## 7. Corporate Social Responsibility & Sustainable Development

### 7.1 Corporate Social Responsibility:

- NFL is constantly working towards inclusive growth in society and implementing various developmental activities under its Corporate Social Responsibility (CSR).
- NFL allocated a CSR budget of Rs.140.00 Lakh for the FY 2022-23 and incurred an expenditure of Rs.174.42 Lakh during the year. This included expenditure on schemes approved in previous years but carried forward in the year 2022-23.
- In the year 2022-23, the focus of CSR activities of NFL was on the theme given by Department of Public Enterprises (DPE) i.e. Health & Nutrition. For promoting preventive Healthcare, the company undertook a project to run a Mobile Digital Health Clinic for preventive screening of the masses for the

essential metabolic vitals in slums and rural areas of Delhi-NCR. Also, NFL provided Digital Programmable Hearing Aids to the hearing-impaired persons from weaker section of the society in Andhra Pradesh.

- NFL undertook a project aimed at enhancing the Nutrition and Health of Government School Children through the "Gift Milk Program" in Aspirational District Guna. Under this initiative, a daily provision of 200 ml of fortified, flavored, and sterilized milk is supplied to school children throughout the entire academic year.
- NFL also distributed Long Lasting Insecticidal Nets (LLIN) of HIL in the rural areas of Punjab, Haryana, Madhya Pradesh & Telangana. These Mosquito nets would help in preventing vector-borne diseases and safeguarding public health.
- Further, NFL has also undertaken a number of projects to promote school education among students from underprivileged section of the society. NFL has distributed educational material to the students from Government Primary Schools of remote villages near Delhi to promote regular attendance and increase interest in studies.

- NFL has supported Government Schools in the vicinity of its plants with the provision of school desks & benches, IT enabled smart boards, RO water facilities etc. In order to bring Divyangjan in mainstream of life, NFL has provided Braille machines and special sports items to the blind students in Chandigarh.

## 7.2 Sustainability Development:

- ✓ NFL has taken various initiatives in adopting best practices for Environment Management, Energy Conservation and Social Upliftment leading to sustainable development.
- ✓ Use of cleaner and greener fuel i.e. Natural Gas as feed and fuel in NFL Plants. One of the major milestones achieved in this direction by NFL is switchover of all its fuel oil feedstock plants at Nangal, Panipat and Bathinda, to Natural Gas (NG), the cleaner and energy efficient fuel. With this initiative, NFL's 100% Urea production is now based on gas as feedstock. In addition, specific energy consumption has also reduced by more than 20%.
- ✓ NFL has also switched over the support fuel in the coal fired boilers at Panipat, Bathinda and Nangal to Natural Gas from fuel oil. This has eliminated use of fuel oil besides improving reliability and reducing carbon footprints.

- ✓ NFL is committed to Government of India's dream of Swachh Bharat Mission by sale of 19129 MT of city compost sourced from manufacturers located in various States during the FY 2023-24.

## 8. Initiatives to improve the performance:

- ✓ Port handling of imported Urea.
- ✓ Marketing of RFCL Urea.
- ✓ Trading of new molecules of Agrochemicals.
- ✓ Production & Sale of Zinc Solubilizing Bacteria based Bio-Fertilizers.
- ✓ Sale of Water-Soluble Fertilizers (WSF) and micronutrients.
- ✓ Sale of Potash Derived from Molasses (PDM).
- ✓ Sale of Nano Urea (liquid) fertilizers.
- ✓ Sale of Fermented Organic Manure (FOM).
- ✓ Established NFL's Chair in Palampur University for carrying out R&D work.
- ✓ As per Government guidelines, 5 nos. of Agri Drones purchased by NFL for helping farming community.

## Major Activities/Events and Plants of NFL



Hon'ble Prime Minister Shri Narendra Modi visited Model PMKSK of NFL in the PM Kisan Sammelan held at Sikar, Rajasthan. Dr. Mansukh Mandaviya Hon'ble Minister of Chemicals & Fertilizers and Shri U.Saravanan, CMD, NFL were also present in the event.



Shri Rajat Kumar Mishra, Secretary (Fertilizers), encouraging the farmers to use drones in Agriculture. Shri U. Saravanan, CMD, NFL is also present on the occasion.





**NFL PANIPAT plant**



**NFL BATHINDA PLANT**



**NFL NANGAL PLANT**



**NFL VIJAPUR PLANT**

### 6.3 RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED (RCF):

#### 1. Brief Overview:

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 RCF has an authorized share capital of ₹800 Crore and a subscribed and paid-up capital of ₹551.69 crores. Government holding in the RCF stands at 75%. At the time of its inception, RCF had only one unit at Trombay. In 1985, another unit of RCF was established at Thal, which is about 100 kms from Trombay. RCF is having several products in its portfolio such as Urea, Complex Fertilizers, Bio-fertilizer, Micro nutrients, 100% Water Soluble Fertilizers and an array of Industrial chemicals.

Government of India has granted the “Navratna” status to Rashtriya Chemicals and Fertilizers Limited

on August 29, 2023. RCF is the first PSU in fertilizer sector to be elevated to “Navratna” category.

#### 2. Vision, Mission and Value Statement:

➤ **Vision:** To be a world class corporate in the field of fertilizers and chemicals with dominant position in Indian market, ensuring optimal utilization of resources, taking due care of environment and maximizing value of stakeholders.

➤ **Mission:** Exponential growth through business excellence with focus on maximizing stakeholder value by manufacturing and selling fertilizers and chemicals in a reliable, ethical and socially responsible manner.

➤ **Value Statement:** RCF shall deal in all aspects of business with integrity, honesty, transparency and with utmost respect to the stakeholders, by honoring our commitments, providing results and striving for highest quality.

### 3. Industrial/ Business Operations:

#### 3.1 Physical Performance:

Production	Installed Capacity (MTPA)	2022-23		2023-24	
		Production (MT)	Capacity Utilization (%)	Production (MT)	Capacity Utilization (%)
(Trombay unit)	3,30,000 *	3,16,208	95.82	3,35,363	101.62

Urea (Thal unit)	17,06,760 *	18,80,002	110.15	18,42,200	107.93
Total Neem Urea	20,36,760	21,96,210	107.83	21,77,563	106.91
<b>Complex Fertilizer (NPK)</b>					
Suphala (15:15:15)	4,20,000	6,38,218	151.96	5,77,400	137.48

\* Reassessed production capacity. Capacity utilization is calculated on the basis of reassessed production capacity of the Urea plants.

RCF also produces Bio-fertilizers (Biola), Micronutrients and 100% Water Soluble Fertilizers. In the year 2023-24, 101.30 KL of Biola, 316.61 KL of Microla and 3068 MT of 100% Water Soluble Fertilizer (Sujala) were produced. RCF also produced 9.94 KL of Organic Growth Stimulant and 11.40 KL of Water pH balancer. Production of these

specialized fertilizers is done as per the market demand.

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

### 3.2 Sales performance:

Marketing	Unit	Sales (2022-23)	Sales (2023-24)
Urea	LMT	22.09	21.57
Suphala (15:15:15)	LMT	6.10	5.60
Trading of fertilizers (DAP, MoP, imp NPK, City Compost etc)	LMT	4.85	8.80
Biola	KL	151	122
Microla	KL	352	312
Sujala (100% Water Soluble Fertilizer)	MT	4,247	3,136

### 3.3 Financial Performance:

Parameter	2022-23	2023-24
<b>Total Income (₹ in Crores)</b>	21,594.84	17,146.74
<b>Profit Before Tax (₹ in Crores)</b>	1,273.98	303.63
<b>Profit After Tax (₹ in Crores)</b>	967.15	227.74

#### 4 Performance Highlights:

##### 4.1 Performance Highlights in the year 2023-24:

##### 4.1.1 New Products launched:

- **Urea Gold:** Around 50-70% of added urea is lost to the environment. Use of Sulphur coating on urea can help in slow release of nitrogen and contribute to improved nitrogen use efficiency. The R&D Department through in-house innovations has successfully formulated Sulphur Coated Urea (SCU) named as Urea Gold. The application of slow release of fertilizers can potentially decrease fertilizer use by 20 to 30 percent of the recommended rate of a conventional fertilizer while obtaining the same yield. Urea Gold was launched by Hon'ble Prime Minister Shri. Narendra Modi during an event in Sikar, Rajasthan on 27<sup>th</sup> July 2023. In the year 2023-24,

3706 MT of Urea Gold has been produced.

- **Organic fertilizer PROM:** In view of the national vision of "Atmanirbhar Bharat" and to meet the growing domestic demand for organic fertilizers, RCF has set-up a 18,000 MT per annum PROM plant at Trombay Unit in November 2023. PROM is produced by co-composting of rock phosphate and is an efficient way of adding phosphorus to soil as compared to chemical fertilizers. PROM is a phosphate-rich organic manure that improves the physical, chemical, and biological properties of the soil and increases crop production. It improves the resistance power of crops against various diseases. CO<sub>2</sub> is released during decomposition and helps to reduce the alkalinity of the soil. 1138.5 MT of PROM has been produced in the year 2023-24.

**4.1.2 Highest ever sale of imported products:** Sale of 5.17 LMT of imported DAP, 1.66 LMT of imported 10:26:26 & 1.35 LMT of imported 20:20:0:13.

**4.1.3 Highest Yearly Sale of Ammonium Nitrate melt** of 1,77,086 MT., Trimethylamine of 2916 MT and Nitrogen of 1578 achieved in 2023-24.

**4.1.4 Environment Clearance** received for Nano Urea Project at Trombay on 11th August 2023 from Ministry of Environment, Forest and Climate Change (MoEFCC) and Consent to Establish was received on 13<sup>th</sup> December, 2023 from Maharashtra Pollution Control Board (MPCB).

**4.1.5 Environmental Clearance** has been received from MoEFCC on 2<sup>nd</sup> January, 2024 for the setting up a new 1200 MTPD (DAP Basis) Complex Fertilizer Plant at RCF Thal.

**4.1.6 An Indian patent** for an invention titled 'Nano Nutrient Composition', Patent No. 459677 has been granted to 'Rashtriya Chemicals and Fertilizers Limited' for the term of 20 years from 17<sup>th</sup> October, 2019.

**4.1.7 An Indian Patent** on "A System and a process of coating a fertilizer" has been filed on 19<sup>th</sup> March 2024.

**4.1.8 RCF Trombay Unit** received following awards:

- 21<sup>st</sup> Annual Greentech Safety Award 2023 for safety excellence.
- Golden Peacock Award 2023 for Energy Efficiency 2022-23.
- Green Excellence Award 2023 in Environment Management.
- Grow Care India Safety "Platinum Award" for the year 2023.
- 23<sup>rd</sup> Annual Greentech Environment Award 2023 for outstanding achievement in Environment Protection category.
- Highest Platinum Award in Fertilizer Sector for outstanding Achievement in OHS Management by Grow Care India.
- "Greentech Pollution Control Waste Management & Recycling (PCWR) Award 2024" for outstanding achievements in "Innovative Waste Management Technology" category.

#### **4.2 New Investment/Projects:**

##### **Projects under execution:**

- **Trombay Ammonia V Plant Revamp (KBR Scheme):** Ammonia-V revamp project is being implemented as a part of energy

improvement schemes to meet the new energy norms for Trombay Unit. The estimated project cost is ₹101.88 Crore. The Basic Engineering is being done by M/s KBR and Detail Engineering is being done by PDIL. The scheme is envisaged to result in energy saving of 0.18 Gcal/MT of Ammonia.

- **ETP up-gradation at Thal Unit:** Upgrading the existing Effluent Treatment Plant for treating 10,000 m<sup>3</sup>/day effluents to ensure the quality of treated effluent as against discharge to sea is recycled for reuse in plant. In 1<sup>st</sup> phase, around 5000 m<sup>3</sup>/day treated water will be recycled. In 2<sup>nd</sup> phase, balance effluent will be recycled, to achieve “Zero Liquid Discharge” goal. The commissioning activities for 1<sup>st</sup> phase has been initiated and expected to be commissioned by 30<sup>th</sup> September 2024.
- **New Ammonium Nitrate (AN) Melt plant at Trombay unit:** RCF is setting-up new AN Melt plant of 425 MTPD at Trombay unit with latest and energy efficient technology.
- **Nano Urea plant:** Nanotechnology is an emerging field with potential to provide efficient nutrient management. Nano Urea is expected to reduce the use of Urea.

RCF is setting up Nano Urea Plant of 75 KL per day capacity at Trombay.

- **Briquette Fired Boiler at Thal Unit:** With an aim to produce low-cost steam, RCF is setting up Briquette Fired Boiler at Thal Unit. The low-cost steam shall help in reducing the variable cost of chemicals.
- **Thal Ammonia Revamp for Energy reduction by HTAs:** RCF is exploring the possibility to implement energy schemes at Thal unit. The expected energy saving is 0.4 Gcal/MT of Ammonia at existing Ammonia production level.
- **Setting up New NPK project at RCF Thal unit:** RCF is exploring possibility of setting up NPK Fertilizer plant at Thal subject to its economic viability. Environment Clearance from Ministry of Environment, Forest and Climate Change (MoEFCC) has been received on 2<sup>nd</sup> January 2024.

#### 4.3 Revival of sick/weak Units-Status /Action Plan:

1. **Talcher Fertilizers Limited:**
  - (a) 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, Odisha through Coal Gasification route as the feedstock. The production capacity comprises of 2200 MTPD for Ammonia plant and 3850 MTPD for Urea plant.

- (b) 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. Success of this project is expected to be a game changer and shall pave a way forward to the production of chemicals and fertilizers from coal, leading to lesser Regasified Liquefied Natural Gas (RLNG) imports. It will also help in meeting much needed Urea production capacity for the eastern part of the country.

**5 Human Resources Management:**

**5.1. Manpower:**

**(As on 31.03.2024)**

Group	Total Employees	Number of Employees (category –wise)						
		SC	ST	Ex-Servicemen	PwBD	OBC	Minority	EWS
A	1304	238	76	0	19	293	75	21
B	603	83	63	0	8	119	40	1
C	613	89	45	2	14	222	33	11
D	5	3	0	0	1	1	2	0
Total	2525	413	184	2	42	635	150	33

**5.2 Redressal of Public Grievances and Welfare Measures:**

- a) Redressal of Public Grievance: RCF has put in place highly effective Grievance Redressal System. Any citizen having complaints in respect of the production or services rendered may approach the RCF. Similarly, any aggrieved customer / dealer or any other citizen can approach the RCF for any failure of

the quality; price charged or conducts of any officer / employee.

- b) RCF also has a Grievance Redressal System for addressing staff grievances. Also, RCF has a SC/ST Grievance Cell, Internal Complaint Committee (ICC) for addressing the sexual harassment grievances and Gender Cell to promote gender equality.



### 5.3 Welfare Measures:

- The Government policies on welfare measures to SCs/STs /OBCs and PwBD etc. are strictly followed.
- There is a representation of minorities in the Recruitment Selection Boards to ensure that the minorities get adequate share in the services.
- Efforts and initiatives are taken for the Welfare, Development and Empowerment of Women and for mainstreaming gender issues.
- RCF is the pioneer in '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.
- 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. Maternity/ Paternity Leave has been extended to the employees.
- RCF is one of the pioneer members in the Forum of Women in Public

Sector (WIPS) since its inception in 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.

### 5.4 Training:

Training programs are organized regularly for imparting knowledge about plant operation, plant processes and maintenance, safety aspects for Diploma/BSc students. Under Skill India, RCF is conducting various training programs. At the two-day vendor meet organized by MSME, Mumbai, and Laghu Udyog Bharati on February 12<sup>th</sup> and 13<sup>th</sup>, 2024, at Sakinaka, Mumbai, RCF showcased opportunities available for MSE vendors within the RCF.

### 6. Corporate Social Responsibility & Sustainable Development:

As part of its initiatives under 'Corporate Social Responsibility', Rashtriya Chemicals & Fertilizers Ltd (RCF) has undertaken several projects in the areas of rural development, promoting health care, nutrition and education aimed for the benefit of needy and for general good of the society. In the year 2023-24, RCF has spent Rs.17.70 Crore including Rs.0.50 Crore set off for succeeding financial year on CSR

activities. The initiatives by the RCF are as follows:

- **Supply of drinking water to nearby villages** around Thal unit for last 25 years benefitting nearly 20,000 families.
- **Mobile Medical Vans:** Three vans serve slums in Trombay and villages around Thal, providing free healthcare. One medical Van attends to about 25,000 patients annually. Further, financial help for purchasing of medical equipment is provided. Medical Camps are also organized by RCF.
- **Ambulance to needy:** RCF has provided financial assistance for procurement of ambulance for providing free services in Mumbai area.
- **Mid-Day Meal Scheme:** RCF has been providing mid-day meals to 29 unaided schools around Trombay. Total 2,800 students have been covered under this project.
- **SC/ST Scholarships:** Scholarships are provided to SC/ST students in Thal area and in five drought-prone districts of Marathwada i.e., Osmanabad, Ahmednagar, Beed, Buldhana and Aurangabad.
- **Agricultural Support:** Distribution of paddy, fruit saplings, and fertilizers to villagers in the Thal area.
- **Swachh Bharat Mission:** RCF donated to Swachh Bharat Mission a government of India account for betterment of the society.
- **Maintaining the common infrastructure:** Thal unit has repaired local roads under the rural development for good transportation of villagers. 18 Community fitness center has been installed in Bidar District of Karnataka.
- **Medical equipment to Primary Healthcare center:** RCF has provided medical equipment to 9 sub centers of Primary Healthcare which provides free medical services to locals.
- **Vocational/Skill Training cum livelihood project for the disabled:** RCF has supported The National Association of Disabled's Enterprises (NADE), Mumbai for purchasing the umbrella making machine for their center.
- **Women Empowerment:** RCF provided financial support for various initiatives for improving Women health, hygiene & for upliftment and employment of Women.

## 7. Initiatives to improve performance:

- (i) Various debottlenecking studies are undertaken to increase the production capacity of energy efficiency of existing plants.
- (ii) Adoption of reduce, reuse, recycle methodology has helped in optimizing the consumption of natural resources.
- (iii) Registered on Indian Council for Fertilizers and Fertilizer Technology Research (ICFFTR) as a society for undertaking R&D / Innovations in fertilizer sector in collaboration with other fertilizer companies. The R&D team is working on developing the Nano Fertilizers, crop specific Bio Fertilizers and is also working towards enhancing the shelf life of the Bio Fertilizers

## 6.4 THE FERTILIZERS AND CHEMICALS TRAVANCORE LIMITED (FACT)

### 1. Brief Overview:

The Fertilizers and Chemicals Travancore Limited (FACT) was incorporated in the year 1943. Located at Udyogamandal, Kerala, FACT started production in 1947. FACT became a PSU in the year 1960 and towards the end of 1962, Government of India became the

major shareholder of FACT.

The parent Division at Udyogamandal underwent four stages of expansion until the year 1972. Another fertilizer unit was established in two phases at Ambalamedu near the BPCL-Kochi Refineries. Phase-I, with the Ammonia-Urea Complex commissioned in 1973 and Phase-II consisting of Sulphuric Acid, Phosphoric Acid and Complex Fertilizer Plant commissioned during 1976-78. The said unit is named as Cochin Division. FACT expanded further with the commissioning of the Petrochemical Division at Udyogamandal for production of Caprolactam during 1990-91.

In the 1965, FACT had also established FEDO (FACT Engineering & Design Organization), an Engineering & Consultancy wing. FEW (FACT Engineering Works), a Fabrication Division was also established in 1966.

FACT restarted the Caprolactam Plant during the financial year 2021-22, after a gap of 9 years. Restart of Caprolactam Plant helped in import substitution and is a step towards "Atmanirbhar Bharat" policy of the Government.

FACT commissioned new CAPEX projects like Sulphuric Acid Storage Tanks, Reconstruction of Berth for import, Ammonia Barge for transportation of Ammonia to various production divisions etc. Other major projects like capacity enhancement of NP 20:20:0:13, Ammonia Storage tank, Phosphoric Acid Storage Tank etc., are at various stages of completion. On implementation of these projects, the production capacity of FACT will be

increased from 10 lakh MT per annum to 15 lakh MT per annum.

For capacity enhancement and energy savings for sustained operation of FACT in the long run, FACT also envisages certain CAPEX projects like the Capacity expansion of the Ammonia Plant, Capacity expansion of the Phosphoric Acid Plant, and Sulphuric Acid Plant. FACT is planning to implement these projects from its internal resources.

**Main Products of FACT**

<b>Product</b>	<b>Installed Capacity</b>
Factamfos (NP 20:20)	6,33,500 MT per annum
Ammonium Sulphate	2,25,000 MT per annum
Caprolactam	50,000 MT per annum

**2. Vision/Mission:**

FACT's vision is to be a significant player in fertilizers, petrochemicals and other businesses such as engineering and technology services.

accumulated losses have been wiped out. FACT declared a dividend, for the financial year 2022-23, after a gap of 26 years. Dividend has also been recommended for the year 2023-24.

**3. Industrial and Business operations:**

During the financial year 2023-24, FACT has achieved a turnover of ₹5054.93 Cr and earned a profit of ₹146.17 Cr. The net worth of FACT has become positive and

FACT has continued to further expand its marketing operations to the states of Maharashtra, West Bengal, Odisha, Bihar and Punjab. During the year 2022-23, FACT stopped import of Sulphur and is sourcing its requirements totally from domestic supplies.

### 3.1 Physical Performance:

(Figures in MT)

Production	Installed Capacity	2022-23		2023-24	
		Production	Capacity utilization	Production	Capacity utilization
Factamfos (NP 20:20:0:13)	6,33,500	8,28,195	131%	8,27,717	131%
Ammonium Sulphate	2,25,000	2,44,732	109%	2,42,577	108%
Caprolactam	50000	44,754	90%	34,662	69%

### 3.2 Marketing: -

Marketing performance of FACT for the year 2023-24:

(in MT)

Marketing	Sales (2022-23)	Sales (2023-24)
<b>Products</b>		
Factamfos	7,42,627	8,21,012
Ammonium Sulphate	2,20,105	2,22,353
Caprolactam	43,712	34,841
<b>Traded Products</b>		
MOP (Imported)	0	23,884
NPK (Imported)	0	83,022
Organic	17,179	10,160
Organic Plus	3,120	1,941
PROM (Organic)	0	30
Potash Derived from Molasses (PDM)	0	85

### 3.3 Financial Performance: -

Turnover and operating profits:

(₹ in crore)

Parameter	2022-23	2023-24
Turnover	6198.15	5054.93
Profit Before Tax	612.83	43.5
Profit After Tax	612.83	146.17

**4. New Investment/Projects:**

Department of Fertilizers in August 2019 conveyed the approval of Government for sale of 481.79 acres of land to Government of Kerala and utilise the sale proceeds towards Capital expenditure of ₹ 608 Crore. Accordingly, FACT planned CAPEX schemes to enhance fertilizer production capacity and product mix, improve technology, upgrade logistics and raw material handling facility for debottle necking and maximizing the existing capacity utilization. Major CAPEX schemes include 1650 TPD complex NP fertilizer plant along with allied raw material/ intermediate storage and handling facilities at production division and Cochin Port. With the commissioning of the new plant, the annual fertilizer production of FACT will increase to 15 lakh MT.

**5. Human Resources Management:**

**5.1 Manpower:**

The total number of regular employees as on 31.03.2024 is 1523. During 2023-24, FACT recruited 60 managerial employees and 102 non managerial employees.

**5.2 Grievance Redressal:**

The objective of the Employees

Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances and to adopt measures as would ensure expeditious settlement of grievances of all employees to inspire confidence in the system leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization.

**5.3. Welfare of SCs/STs/OBCs:**

An SC/ST Grievance Cell is functioning at corporate level comprising the Chairman, who is also Chief Liaison Officer, Liaison Officer of various Divisions of FACT and two officers each belonging to SC&ST. The Cell looks into matters pertaining to reservation of SC/ST and the grievances of SC/ST employees in FACT. The Liaison Officer for SC/ST is also the Liaison Officer for Persons with Benchmark Disabilities. FACT has also a Liaison Officer for OBC.

**5.4 Training & Development:**

FACT offers in-house training as well as external training to its employees. Details of internal and external training provided by the FACT:

<b>Internal Training</b>		
<b>Year</b>	<b>2022-23</b>	<b>2023-24</b>
Total No. of programmes conducted	37	81
Total participants	588	1647
<b>External Training</b>		
<b>Year</b>	<b>2022-23</b>	<b>2023-24</b>
Total No. of programmes offered	58	96
Total participants	227	283

#### 6. Corporate Social Responsibility & Sustainable Development:

FACT continued to give priority to various Corporate Social Responsibility measures. CSR activities under various schemes/projects incurring expenditure of ₹17.51 crores are given below:

- Infrastructure Development of Govt. Schools.
- Mobile health unit in Kochi.
- Vaibhav Upskilling Programme.
- Ekal Vidyalayas in tribal settlements.
- Supply of 3-wheeler for waste management.
- Generator for Govt. CHC.
- Wheel chair for Southern Railway.
- Sponsoring students with Disabilities.
- Scholarships to students.
- Supply of drinking water at Manjummel.
- Distribution of computer tablets to students.
- Setting up of community fitness centre in Bidar, Karnataka.
- Setting up of 3 smart Anganwadi in Ernakulam.
- Medicated mosquito nets for distribution among farmers.
- Hiring of Kisan drones and drone pilots.
- Providing drones under PM-MKDK Scheme and training Mahila drone pilots.
- Purchase of books for PMKSKs

#### Sustainable Development:

FACT is implementing several sustainable development activities.

The Company endeavours to ensure responsible and sustainable business operations across the entire supply chain- sourcing, procurement, manufacturing, packaging, transportation, marketing, and end-product use.

The company has a Business Responsibility and Sustainable Development (BRSR) Policy which includes all essential policies that fall under BRSR principles. The Company is taking steps to reduce carbon emissions and utilize renewable energy for its operations. The feedstock and fuel have been changed to RLNG, the green fuel.

**7. Initiatives to improve the Performance:**

- I. FACT has entered into a long-term agreement for supply of RLNG with Indian Oil Corporation Limited (IOCL) for uninterrupted operation of Ammonia Plant. FACT has also entered into MoU with BPCL and MRPL for supply of Sulphur. With this, FACT is able to maximize fertilizer production.
- ii. FACT restarted its Caprolactam operations during the financial year 2021-22. Plant has been stabilized with full load production. Now Caprolactam plant is enabled to run

utilizing the state grid power by providing a DG set for emergency backup power.

- iii. As part of technological improvement, Distributed Control System (DCS) has been implemented in fertilizers Plants of Udyogamandal Complex.
- iv. FACT has stopped import dependence of Sulphur and has entered into MoU with BPCL & MRPL to meet its Sulphur requirement.
- v. FACT has stabilized marketing of chemicals like Ammonia and Sulphuric Acid. Also started marketing of Soda Ash & Nitric Acid & Cyclohexanone in line with restart of Caprolactam operations.
- vi. FACT is setting up a new 1650 TPD complex NP plant along with required raw material handling and storage facility. Work order is given for LSTK job and civil jobs are progressing. This will result in an increase in fertilizer production of FACT from 10 lakh MT to 15 lakh MT after commissioning by the end of 2024-25.
- vii. FACT has taken a lot of digital initiatives in marketing, sales and logistics areas.

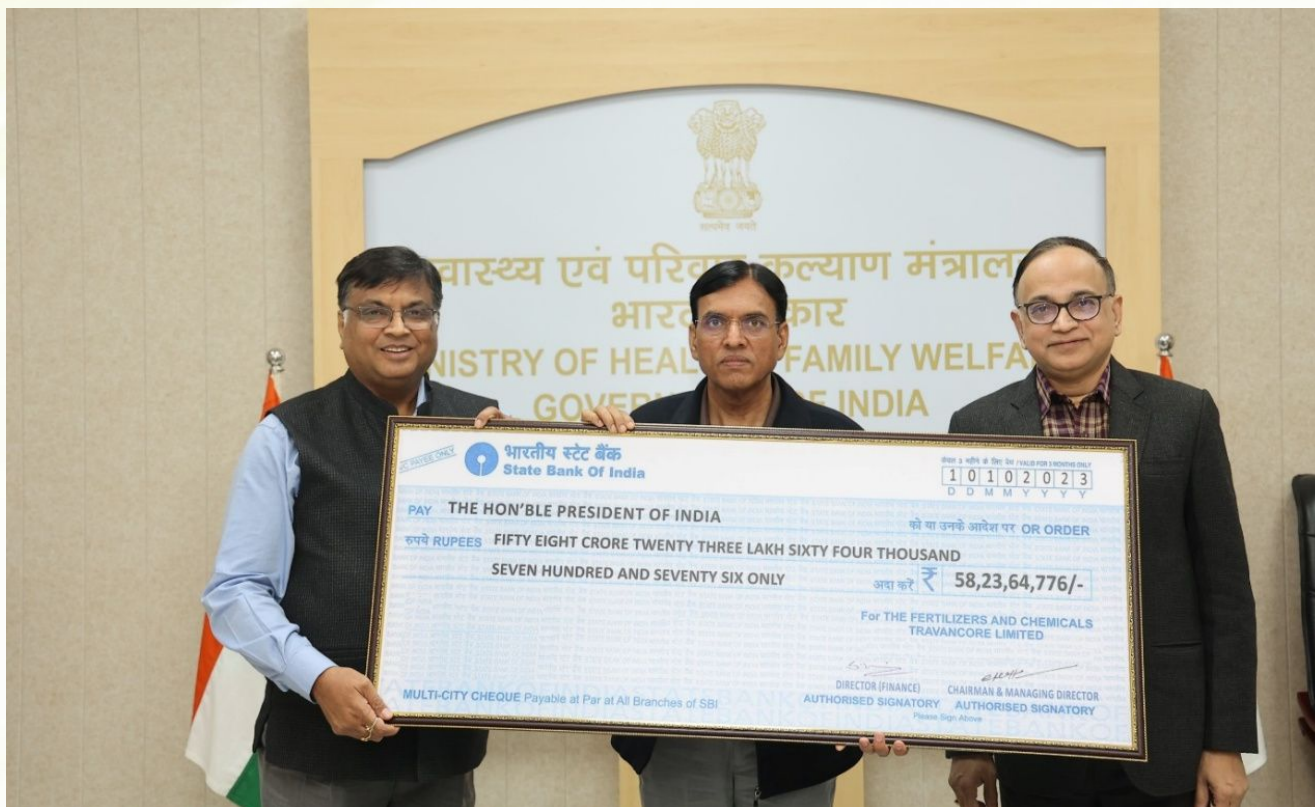




**Shri Kishore Rungta, CMD, FACT flagging off the Mobile Healthcare Unit (MHU) launched as a CSR initiative of FACT.**



**FACT Sponsored 100 Drone Didis from Kerala, Tamil Nadu and Karnataka for Drone pilot training and handed over Kisan Drone for agriculture purpose. It aims to introduce new technology in agriculture sector and improve livelihood of female members of Self-Help Group.**



Shri Kishore Rungta, CMD, FACT handing over the Dividend Cheque of Rs.58 Crore to Hon'ble Minister of Chemicals & Fertilizer Shri Dr. Mansukh Mandaviya in the presence of Shri Rajat Kumar Mishra Secretary, Department of Fertilizers.



The Mechanical works of the new Ammonia Storage Tank project at Cochin Division has been completed and pre-commissioning activities are in progress. As a part of the infrastructure developments in association with fertilizer capacity expansion project, two new Sulphuric Acid tanks at the Cochin division were commissioned.

## 6.5 MADRAS FERTILIZERS LIMITED (MFL)

### 1. Brief Overview:

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, Naftiran Intertrade Co. Ltd. (NICO) [formerly known as NIOC] acquired 50% of the AMOCO's share and the shareholding pattern became 51% GOI and 24.5% each of AMOCO and NICO.

In 1985, AMOCO disinvested their

shares, which were purchased by GOI and NICO in the proportions of their respective shares as on 22.07.1985. The revised share holding pattern was GOI 67.55% and NICO 32.45%.

Subsequent to the Issue of Rights shares in 1994, the shareholding of GOI & NICO stood 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. The present Paid-up Share Capital and the shareholding pattern are as follows:

Shareholder	Paid-up Share Capital (₹ in Cr)	Shareholding %
GOI	95.85	59.50
Naftiran Intertrade Co. (NICO) Ltd.	41.52	25.77
Public	23.73	14.73
Total	161.10	100.00

The production capacity of various plants in MFL are as under:

Plant	Annual capacity	Technology Deployed
Ammonia	3.46 LMT	M/s Haldor Topsoe A/s, Denmark
Urea	4.86 LMT	M/s Urea Technologies Inc., USA
NPK	2.80 LMT	M/s Hindustan Dorr Oliver, India

## 2. Mission/Vision:

To become a leader in fertilizer industry and assuring production and marketing of quality products of

fertilizers, agrochemicals and other eco-friendly products catering to the needs of the farming community of the Nation through world class efficient operation.

## 3. Industrial/ Business Operations:

### 3.1. Physical Performance:

Production	Installed Capacity (MTPA)	2022-23		2023-24	
		Production (MT)	Capacity Utilization (%)	Production (MT)	Capacity Utilization (%)
Urea	4,86,750	519800	106.8	432500	88.9
NPK	2,80,000	7,507	2.7	0	0

Urea Plant has achieved the lowest monthly average Specific Energy

Consumption of 6.650 GCal/MT in January, 2024.

### 3.2 Marketing Performance:

Products	Sales	
	2022-23	2023-24
<b>Own Manufactured Products</b>		
NPK Complex 20-20-0 (MT)	7504.250	0
Neem Coated Urea (MT)	529879.410	427836.195
Bio-fertilizers (MT)	22.560	0
<b>Traded Products</b>		
Bio pesticide - Neem (KL)	157.420	114.500
Organic Manure (MT)	7835.520	10740.080
City Compost (MT)	9607.500	11307.000

## 3.3 Financial Performance:

(₹ in Crores)

Parameter	2022-23	2023-24
Turnover	3447.09	2228.42
Profit Before Tax	248.66	11.86
Profit After Tax	185.33	5.56

## 4. Performance Highlights:

## New Investments/Projects:

- Ammonia Specific Energy Reduction Revamp study was carried out by the process licensor M/s Haldor Topsoe and further engaged them to carry out basic engineering study to achieve the GoI's Urea Energy Norms of less than 6.5 Gcal/MT.
- Utility Boiler -II fuel firing was changed over from FO to RLNG with new DCS-BMS (Burner Management System) and commissioned successfully.
- Utility Boiler -II Economizer & Super heater coils were replaced.
- Urea Reactor B Liner was replaced with upgraded material from SS316 to 2RE69, along with complete replacement of outlet lines of both Reactors.
- Refrigeration Compressor (K1901) CCC Performance Controller was renewed with an upgraded version.
- Upgradation of Ammonia Condensers (4 nos.) with Duplex SS tubes - to avoid frequent failure thereby improving reliability of plant to achieve maximum operating factor was taken up during Annual Turn Around 2023.
- Installation of Dedicated RO plant for treating Cooling Water Blow down is under progress, which will bring down raw water consumption drastically.
- Procured New Diesel Hydraulic Locomotive (400 HP capacity) for wagon loading operations.
- Public Address System was inaugurated in B&S plant to create awareness regarding plant operations & safety and stream lining of plant activities.



Hon'ble Union Minister of State for Chemicals & Fertilizers Shri Bhagwanth Khuba addressing farmers meeting in Thiruvannamalai District of Tamil Nadu organized under Viksit Bharat Sankalp Yatra on 21.11.2023.



Inauguration of New Diesel Hydraulic Locomotive (400 HP capacity) for wagon loading operations at Madras Fertilizers Limited.

## 5. Human Resource Management:

### 5.1 Manpower:

As on 31.03.2024

Group	Total Employees	Number of Employees (Category-wise)				
		SC	ST	Ex-Servicemen	PwBD	OBC
A	104	35	2	0	0	24
B	145	33	3	0	3	14
C	186	55	0	1	1	56
<b>Total</b>	<b>435</b>	<b>123</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>94</b>

### 5.2 Grievance Redressal:

Committee for redressal of Grievances:

1. Grievance Redressal Committee for Supervisors
2. Works Committee for Workmen
3. Internal Grievance Committees for SCs/STs/OBCs
4. Internal Compliance Committee- Women employees

### 5.3 Welfare of Minorities:

1. ₹50,000/- is given to each SC/ST Associations for celebrating Ambedkar Jayanti.
2. ₹50,000/- is given to OBC Association to celebrate the birth anniversary of their leaders.

### 5.4 Training:

434 employees and 81 contract

workers have been trained on Technical, Soft and Life Skills.

### 6. Corporate Social Responsibility (CSR) & Sustainable Development:

CSR activities undertaken under the following schemes at the expenditure of ₹6.32 crores approximately.

- Flag Day Fund.
- Viksit Bharat Sankalp Yatra.

### 7. Initiatives to improve performance:

- About 100 MT of Structural replacement carried out.
- Urea Reactor B inner liner renewed with upgraded material from SS316 to 2RE 69
- Selling of excess Ammonia to Licensed vendors.

- Project study undertaken for producing Liquid Bio Fertilizers.
- New refrigeration compressor package procurement initiated for liquefying Ammonia vapor from storage.
- Trading of Complex fertilizers taken up.
- New grade of NP (20-20-0) Complex fertilizers produced and launched successfully.

**6.6 BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED (BVFCL)**

**1. Brief 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. Its Corporate &

Registered Offices are also located at Namrup.

The authorized share capital and paid-up capital of the BVFCL as on 31.03.2024 were ₹510 crores and ₹365.83 crores respectively. 100% of the equity is owned by Govt. of India.

**2. Vision/Mission:**

To remain a significant producer of nitrogenous fertilizer in an efficient, economical and environment friendly manner and provide a package of agricultural services in Eastern India. To diversify to production of other fertilizers like Single Super Phosphate (SSP), water soluble NPK etc and also to enhance revenue earning through trading of imported Urea and other agricultural products through wide dealers' network to gradually have a pan India presence.

**3. Industrial/ Business Operations:**

**3.1 Physical Performance:**

Production	Installed Capacity (MTPA)	2022-23		2023-24	
		Production (MT)	Capacity Utilization (%)	Production (MT)	Capacity Utilization (%)
Urea (Namrup II)*	240000	0	0	0	0



Urea (Namrup III)	270000	223342	82.71	180153	66.72
Total	510000	223342	82.71	180153	66.72

\*Namrup – II plants remained under shutdown w.e.f. 06.01.2020 due to a major failure in the synthesis section of Ammonia Plant. Prior to that, due to non-availability of NG beyond the contracted volume, only one stream of Urea plant was run with effective installed capacity of 1,20,000 MT per annum.

### 3.2 Financial performance:

(₹ in crores)

Parameter	2022-23	2023-24
Turn Over	1146.49	748.96
Profit Before Tax	24.37	8.71
Profit After Tax	24.37	8.71

### 3.3 Marketing Performance:

Product Category	Marketing	Sales 2022-23 (in MT)	Sales 2023-24 (in MT)
BVFCL Own Product	Neem Coated Urea	2,27,870.160	175339.800
	Liquid Bio-Fertilizers	147.84	152.134
	Vermi - Compost	60.66	41.040
	NPK (19:19:19)	59.94	195.480
Imported/ Traded product	Imported Urea	218897.38	257694.265
	Mukta Power	3450.22	1424.810
	Agro Power	257.500	0.000
	HURL Urea	0.00	49023.000
	Factamfos	426.00	1455.400
	Ammonium Sulphate	16867.51	6455.700

Rock Phosphate	10115.00	4943.800
SSP	71927.60	32468.000
MOP	6988.60	1965.500
DAP	17566.85	375.000
Pesticide	7.67	0
Zinc Sulphate	261.98	254.525
Magnesium	0.00	0
Boron	9.00	0
NPK (10:26:26)	2742.60	119.000
NPK	53.52	0
NFL Urea	65705.22	13993.380
City Compost	397.00	0
HIL Net	7000.00	0
Seeds	110.00	14.000
APS	3583.60	0
PDM	4052.95	345.500
Nano Urea	0.00	0.816
Nano DAP	0.00	0.186
IFFCO - UREA	0.00	273.735
SAGARIKA - IFFCO	0.00	0.060
SAGARIKA - IFFCO 10 KG Bucket/Bag (nos)		51.000
Bentonite Sulphur	0.00	4.260

#### 4.1 Performance Highlights:

Details of sale of products during 2023-24 are given below:

- a) Mukta Neem Coated Urea: During the Financial Year 2023-24 BVFCL sold 175339.8 MT Urea.
- b) Bio-Fertilizers: 152.134 KL liquid Bio-fertilizers valued ₹ 228.20 Lakhs were sold.
- c) Vermi Compost: 41.04 MT Vermi Compost valued ₹ 5.75 Lakhs were sold.

- d) NPK (19:19:19): 195.480 MT of Mukta NPK (19:19:19) were sold.
- e) Imported Urea: 257694.265 MT of Imported Urea valued Rs 14551.14 Lakhs were sold.

**Namrup-II plants:** Production in Namrup-II continued to remain suspended during the entire year of 2023-24. Namrup-II plants encountered two major failures on 17.05.2019 and 06.01.2020 and the plant has remained under shutdown since then. A Technical Committee has been constituted by Department of Fertilizers to review the status of Namrup-II plants and a Technical Team comprising of NFL and RCF experts visited the plants.

**Namrup-III plants:** During the Financial Year 2023-24, Urea Production in Namrup-III was 180153 MT compared to 223342 MT achieved in Financial Year 2022-23. The targeted Urea production in 2023-24 could not be achieved due to various unforeseen breakdowns of old, unreliable equipments. Energy consumption per MT of Urea produced in Namrup-III in FY 2023-24 was 13.27 GCal/MT compared to 12.20 GCal/MT in the Financial Year 2022-23.

During the Financial Year 2023-24, 239.41 on-stream days could be

achieved in Namrup-III Plant compared to 315 days in Financial Year 2022-23.

#### 4.2 New Investments & Projects:

BVFCL plants are underperforming due to obsolete technology and equipment failures. 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. Currently, Department of Fertilizers is examining all possible options to find a suitable and sustainable model to set up Namrup-IV unit in BVFCL.

**4.3 Revival of sick/weak units:**

All the Namrup plants are based on technologies as available during 1960 and 70's. Thus, the energy consumptions are much higher as compared to modern plants. As the technologies have become obsolete, availability of spares for maintenance and replacement of the machineries/

equipment is becoming increasingly difficult. The machines being old, the frequency and degree of maintenance is also high.

BVFCL entrusted the study to M/s PDIL regarding the requirement for upward revision of energy consumption norm for BVFCL Namrup-II and Namrup-III due to various issues like lean gas supply etc. Accordingly, Work Order was issued by BVFCL to M/s PDIL vide dated 25.09.2019. In this regard, M/s PDIL has submitted its report to BVFCL and proposed the new energy consumption norms to be 18.10 GCal/MT for Namrup-II and 13.24 GCal/MT for Namrup-III.

**5. Human Resource Management:**

**5.1 Manpower:**

(As on 31.03.2024)

Group	Total Employees	Number of Employees (category)						
		SC	ST	Ex. Serviceman	PwBD	OBC	EWS	General
A	272	22	31	Nil	Nil	81	Nil	138
B	30	2	9	Nil	Nil	5	Nil	14
C	54	3	5	Nil	Nil	11	1	34
D	31	4	5	Nil	1	12	1	8
<b>Total</b>	<b>387</b>	<b>31</b>	<b>50</b>	<b>Nil</b>	<b>1</b>	<b>109</b>	<b>2</b>	<b>194</b>

**5.2 Grievances redressal:**

BVFCL has a grievance redressal committee for resolving the

grievances arising from time to time.

**5.3 Welfare of Minorities:**

A representative of the minority

community is also included in the Selection Committee for recruitment and promotion. BVFCL is following the instructions and guidelines/orders issued by the Government of India from time to time in the matter of reservation in services for SCs, STs and OBCs. All the welfare facilities are also extended to the employees of SC/ST community along with other employees.

#### 5.4 Training:

Training has been imparted through classroom lectures as per Training Calendar prepared for 2023-24. Apart from engaging apprentices, CMA trainees as well as vocational trainees for exposure to actual industrial environment are also engaged.

During the year ending 31<sup>st</sup> March, 2024, 07 in-house training programmes, 7 external training programmes and 3 webinars were conducted.

#### 6. Corporate Social Responsibility & Sustainable development:

- (a) BVFCL undertakes various welfare schemes for its employees and a host of measures, limited to the surrounding areas within 8 kms radius and contributing in every possible way to add value and improving their quality of life.

- (b) Provides educational facilities to the children of employees and the wards of the Township and the nearby villages. BVFCL is running one Higher Secondary School, one Kendriya Vidyalaya and one Model Higher Secondary School (English Medium) besides one Primary School and extended its patronage for establishment of Namrup College, one B.Ed College for higher education and establishment of a State Dispensary at Namrup. BVFCL also extends its helping hand to a Junior College and one Assamese medium school, by providing accommodations within the colony area at concessional rate.

- (c) One hospital with modern equipment is available to extend medical facilities to employees & their dependents. Nearby people of the localities and contract workers are also provided treatment at nominal fee.

- (d) In order to maintain the total socio-cultural harmony of the locality, time to time financial assistance is extended to the nearby educational institutions and other social organizations.

#### 7. Initiatives to improve performance:

Some of the steps initiated recently to bring back the BVFCL in the path

of growth by diversification of business are given below:

- To establish a Single Super Phosphate (SSP) manufacturing facility of 400 MTPD capacity within the existing BVFCL premises.
- To establish a Solar Power System of 2.4 MW capacity in BVFCL premises in the vacant land to promote renewable energy sources,
- To trade surplus captive power in state grid to have financial benefit for the BVFCL.
- To establish a Nano Urea Plant within the existing premises.
- BVFCL has been allotted Paradip International Cargo Terminal Port, Paradip for handling and marketing of imported Urea in Govt. of India account for three years commencing from 2022-23 onwards. Marketing areas have been extended to Chhattisgarh, Jharkhand, Odisha & Madhya Pradesh and dealers' network has been increased in lesser represented areas of Bihar and West Bengal States. During 2023-24, BVFCL has successfully completed handling of 06 numbers of vessels. BVFCL is also planning for further expansion of marketing areas Uttar Pradesh, Telangana and Andhra Pradesh with the aim of achieving a

pan India presence.

- BVFCL has also executed MoUs with new business partners viz. HURL, IFFCO, Agrophos India Ltd., Madhav Agrochem Pvt. Ltd., HIL (for PMKSK), MN Crop and Fertico Pvt Ltd, Deepee Chemical Ltd to enhance the range of its product basket during 2023-24.
- For better supply of BVFCL's own and traded products, 2 new Rake points added recently i.e. Jiribam (Manipur), Bhairabi (Mizoram) based on the logistics availability and the BVFCL is further exploring the possibilities to add more rake points.

#### **8. Compliance of Health Safety & Environment Regulations:**

- As per the latest directive of Central Pollution Control Board, online Monitoring System was installed for Liquid Effluent and Stack Gas. The requisite information is continuously and directly available in the designated site of State Pollution Control Board and Central Pollution Control Board. The consent to operate is renewed regularly with State Pollution Control Board.
- BVFCL is having a full-fledged Fire Station Comprising Fire Tenders.

- BVFCL is having a number of licenses issued by Petroleum Explosives Safety Organization (PESO) including 1 No. of 1500 MT Liquid Ammonia Horton Spheres, 4 Chlorine Cylinder Licenses and 1 each for LPG and Petrol Pump as per Static and Mobile Pressure Vessels (Un-fired) Rules 2016 and Gas Cylinder Rules 2016. These Licenses are being regularly renewed by the statutory authorities after inspection.
- External Safety Audit is being regularly conducted by engaging reputed Consultants. The External Safety Audit Report for FY 2022 to 2024 has been obtained from External Consultant. The External Safety Audit is done after a gap of 2 (two) years.
- Public Liability Insurance of ₹15.00 Cr is made every year as per stipulation to cover the residents of the neighboring area for any leakage of harmful gas etc.



**Dispatch of BVFCL's second consignment of Urea from Paradip International Cargo Terminal (PICT), Paradip Port, June 2023**



**MOU signing between BVFCL & IFFCO for Marketing Tie up in Assam, Bihar, West Bengal & Odisha in presence of CMD, BVFCL and Director Marketing, IFFCO**

**6.6 FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED (FAGMIL)**

₹50.00 crore as on 31-03-2024.

**1. Brief Overview:**

FCI Aravali Gypsum and Minerals India Limited (FAGMIL) was incorporated under the Companies Act, 1956 as a Public Sector Undertaking on 14.02.2003 after being hived off the Jodhpur Mining Organisation (JMO) of Fertilizer Corporation of India Limited (FCIL). The Authorized Share Capital of the FAGMIL is ₹50.00 crore and the Paid-up Capital is

**2. Vision/Mission:**

**2.1 Vision:**

To become a leader in exploration, mining and processing of strategic and critical minerals especially fertilizer minerals.

**2.2 Mission:**

FAGMIL 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 byproducts with focus on agriculture.



### 3. Industrial / Business Operations:

#### 3.1 Physical Performance:

Production	Approved Capacity (MT/Annum)	2022-23		2023-24	
		Production (MT)	Capacity Utilization (%)	Production (MT)	Capacity Utilization (%)
Gypsum	1106000	453241	40.98	279326	25.25

Marketing	Sales (2022-23)		Sales (2023-24)	
	Qty. (in MT)	Amount (₹ in Crores)	Qty. (in MT)	Amount (₹ in Crores) (provisional)
Gypsum	441111	56.04	321615	30.01

#### 3.1 Financial Performance:

(₹ in Crores)

Parameter	2022-23	2023-24
Turnover	56.04	30.01
Profit Before Tax	13.46	9.33
Profit After Tax	9.74	6.98

#### 4. Performance Highlights:

##### New Investments/Projects:

In its endeavor to diversify its

activities, FAGMIL has taken steps to enter into other important minerals like Rock Phosphate & Dolomite and renewable energy.

#### 5. Human Resource Management:

##### 5.1 Manpower as on 31-03-2024:

Group	Total employees	Number of employees (Category-wise)				
		SC	ST	Ex-Servicemen	PwBD	OBC
A	19	2	0	0	0	6
B	7	1	0	0	0	1
C	8	0	0	0	0	2
D	1	0	0	0	0	0
TOTAL	35	3	0	0	0	9

**5.2 Grievances Redressal:**

Grievance Cell is functioning to redress the public and staff grievances.

**5.3 Welfare Measures:**

**(i) Welfare, Development and Empowerment of Women:**

FAGMIL is taking due care towards women empowerment.

**(ii) Welfare of SCs & Sts:**

FAGMIL is also implementing various social schemes for the welfare of employees under which it provides scholarship, tuition fee and cost of study material to children of employees.

**(iii) Welfare of PwBDs:**

As of now, FAGMIL has no employee with physical disability. However as per extant rules, governing the welfare of PwBDs, the compliance is made by the FAGMIL.

**6. Corporate Social Responsibility and Sustainable Development:**

FAGMIL undertakes socio-economic and community development programs to promote education, training and improvement of living conditions in villages located in the vicinity of FAGMIL's mines. FAGMIL has

developed a CSR scheme and spends atleast 2% of its average profit of last three years. During the year 2023-24, ₹ 31.64 lakhs was spent on promoting education, promoting health care, drinking water facilities and sanitation.

**7. Initiatives to improve the performance:**

**Venturing into Other Minerals:**

❖ **Rock Phosphate, Jaisalmer, Rajasthan:**

Application for mining lease is under consideration with Government of Rajasthan.

❖ **Accreditation as Exploration Agency:**

The Central Government through Gazette Notification dated 12.01.2023 have accredited M/s FAGMIL as Notified Government Exploration Agency.

❖ FAGMIL plans to focus on exploration of strategic and critical minerals, especially fertilizers minerals in which India is dependent on imports

❖ **Dolomite, Phalodi, Rajasthan:**

Application for mining lease is under consideration with Government of Rajasthan.

## 8. Major Highlights:



Brig. Amar Singh Rathor, CMD, FAGMIL presented a dividend cheque of ₹12.55 crores to the Dr. Mansukh Mandaviya, Hon'ble Minister of Chemicals and Fertilizers in the presence of Shri Bhagwanth Kube, Hon'ble Minister of State for Chemicals & Fertilizers and Shri Arun Singhal, then Secretary (Fertilizers).

### 6.8. HINDUSTAN FERTILIZER CORPORATION LIMITED (HFCL)

#### 1. Brief Overview:

Hindustan Fertilizer Corporation Ltd. (HFCL) had three units at Barauni, (Bihar), Durgapur and Haldia (both in West Bengal).

#### 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).

#### Revival of the closed fertilizer units:

Considering the infrastructure available with HFCL and the demand of fertilizers, Government of India on 04.08.2011 approved revival of Barauni, Durgapur Units and Haldia Division through bidding route.

**Progress of revival of closed units:****Barauni Unit:**

Union Cabinet decided on 13.7.2016 to revive Barauni Unit along with Sindri & Gorakhpur Units of FCIL, by a Joint Venture of nominated PSUs, namely, NTPC, CIL & IOCL. HFCL & FCIL would also be Joint Venture partners, who would receive 11% of equity in each of the projects in lieu of land use & other available infrastructure. A Joint Venture company, 'Hindustan Urvarak & Rasayan Limited (HURL)' has been incorporated for

the purpose of revival. Concession Agreement, Lease Agreement & Substitution Agreement have been signed with HFCL. HURL has completed the revival of Barauni plant and started its commercial production on 30.04.2023.

**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 1.27 MMTPA of Urea at each of the three closed units, namely, Barauni, Durgapur and Haldia Division.

**3. Industrial/ Business Operations:****3.1 Physical Performance:****Barauni Unit: Production by HURL (JV of HFCL):**

Products	2022-23	2023-24
Ammonia	1.16	5.99
Urea	1.74	10.57

**3.2 Financial Performance:****(₹ in Crores)**

Parameter	2022-23	2023-24 (provisional)
Other Income	17.98	40.43
Profit Before Tax	12.62	37.23
Profit After Tax	10.29	30.72

**4. Performance Highlights:**

**4.1 New Investments/ Projects:** The land & infrastructure of the Barauni Unit has been put to use by the Joint

Venture of nominated PSUs, who would provide 11% equity to HFCL in lieu of the infrastructure & land being utilized by them.

**4.2 Revival of sick/ weak Units:** Haldia unit is under handing over/ surrender to Syama Prasad Mookerjee Port, Kolkata.

## 6.9 PROJECTS & DEVELOPMENT INDIA LTD. (PDIL)

### 1. Brief Overview:

Projects & Development India Ltd. (PDIL) is an ISO 9001:2015, ISO 45001:2018 certified as well as ISO/IEC 17020:2012 accredited and a Mini-Ratna, Category-I, Central Public Sector Undertaking. 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

### 3. Industrial /Business Operations:

#### 3.1 Financial Performance:

(Rs. in crores)

Parameter	2022-23	2023-24
Turnover	107.21	106.59
Profit Before Tax (PBT)	4.59	14.38
Profit After Tax (PAT)	3.58	10.62

*Note: Figures of FY 2023-24 is subject to the adoption of the Annual Accounts of the Company for FY 2023-24 by the shareholders at the ensuing Annual General Meeting.*

- 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 PDIL is ₹60 crores and paid-up capital is ₹17.30 crores as on 31.03.2024.

### 2. Vision/Mission:

#### 2.1 Vision:

To be a leading Engineering and Project Management Consultancy organization.

#### 2.2 Mission:

- I. To create and deliver integrated techno-commercial solution optimum in cost, quality and time to all customers.
- ii. To pursue relentlessly world class quality in engineering consultancy and project management by imbibing best practices.

**4. Performance Highlights:**

**New Investments/Projects:**

- EPCM / PMC Services for Ammonia-Urea plant at Namrup (Namrup-IV) for Brahmaputra Valley Fertilizer Corporation Limited.
- EPCM / PMC Services for Ammonia-Urea Plant Phase-2 project for Matix Fertilizer & Chemicals Limited.
- Consultancy Services for Coal /

Lignite to Methanol / Synthetic Natural Gas / Di Methyl Ether Projects in India.

- Engineering and / or Project Management Consultancy Services for Green Hydrogen & Green Ammonia Projects.
- Consultancy Services for miscellaneous projects in Oil & Gas and Refinery Sector.
- PMC for DAP/ NPK plant and Energy Saving Project in Ammonia plant at RCF, Thal.

**5. Human Resources Management:**

**5.1 Manpower:**

(As on 31.03.2024)

Employees (Category-wise)				
Group	Total	SC	ST	OBC
A	263	42	16	65
B	14	4	1	2
C	0	0	0	0
D	0	0	0	0
<b>Total</b>	<b>277</b>	<b>46</b>	<b>17</b>	<b>67</b>

**5.2 Grievance Redressal:**

Grievance Cell has been set up in the offices of the Unit Heads of the respective unit i.e. Noida and Vadodara. No grievance is pending.

integral tool for skill and personality development for the employees of the PDIL at all locations across all levels.

**5.3 Welfare of Minorities:**

Due care is taken as per the Government directives.

**6. Corporate Social Responsibility & Sustainable Development:**

PDIL has a Corporate Social Responsibility (CSR) & Sustainability Policy and has been undertaking CSR activities as per the Government guidelines.

**5.4 Training:**

PDIL has identified training as an

- i. PDIL has allocated ₹30.48 lakhs as CSR budget during 2023-24.
  - ii. Signed MoU with Government Institute of Medical Sciences, Greater Noida for providing one Refrigerated Centrifuge.
- 7. Initiatives to improve the performance:**
- I. Efforts made for improvement of the business position:
    - Secured order worth ₹7.15 crores from Aegis group for Basic Design & Detailed Engineering Services for 2 nos. of proposed Refrigerated LPG / Propene Storage Terminal.
  - ii. Adopting austerity measures wherever possible without affecting revenue generation of the PDIL.
    - Secured order worth ₹5.69 crores from IOCL for PMC services of ETP modification jobs at Haldia Refinery.
    - Bids submitted for Engineering and / or Project Management Consultancy Services for Green Ammonia & Urea Projects and Chemicals Projects viz. Nitric Acid, Ammonium Nitrate, etc.



Sindri Fertilizers Plant



**Gorakhpur Fertilizers Plant**



**Barauni Fertilizers Plant**



# CHAPTER- 7

## RIGHT TO INFORMATION ACT, 2005

**7.1** 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.

**7.2** 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 RTI 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 Department of Fertilizers at Room No. G-12, Ground Floor, A wing, Shastri Bhawan, for applications as well as prescribed fee under the RTI Act.

**7.3** 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>).

7.4 The Department has started receiving RTI applications/Appeals on RTI web portal of DoPT, <http://rtionline.gov.in/RTIMIS>.

7.5 During the year 2023, 544 applications and 37 appeals were received physically and through

online mode. Of these, 531 applications and 36 appeals were disposed off during the year and the remaining 13 out of 544 applications and 01 out of 37 appeals are under process for sending reply to the applicant.

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# CHAPTER- 8

## VIGILANCE ACTIVITIES

- 8.1** The Vigilance activities of the Department extend to the Department as well as to 9 Public Sector Undertaking (PSUs) and three Joint Ventures (JVs). The Vigilance Wing is headed by Joint Secretary who is designated as Chief Vigilance Officer (CVO) of the Department. The CVO is assisted by Director/ Deputy Secretary, Under Secretary and a Section Officer along with other vigilance staff. Vigilance related activities are carried out within the framework provided by the DoPT with 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.
- 8.2** “Vigilance Awareness Week” was celebrated in this Department from 30<sup>st</sup> October to 5<sup>th</sup> November, 2023. 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, Department of Fertilizers to the staff and essay competitions were also held.
- 8.3.** Agreed List of Public Servants and List of Public Servants of doubtful integrity for the year 2023 have been finalized and sent to CBI. Further, the complaints received in the Vigilance Division of this Department are being examined as per the extant Guidelines issued by the DoPT and CVC.

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## CHAPTER- 9

# PROGRESSIVE USE OF OFFICIAL LANGUAGE HINDI

### 9. Progressive use of Official language HINDI:

9.1 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 endeavours for implementing the Official Language Policy of the Union. The work pertaining to the progressive use of Hindi in the Department, its attached office FICC and 07 PSUs is under the administrative control of Joint Secretary (AS). For his/her assistance, posts of two Deputy Directors (OL), two Assistant Directors (OL), three Senior Translation Officers & one Junior Translation officer have been created. Department of Fertilizers continued its efforts towards progressive use of Hindi in official work during 2023-24. For this the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs was circulated to the subordinate offices for implementation of the official

language policy of the Union.

9.2 All the 262 Computers in the Department are equipped with Unicode bilingual facility. Efforts are being made to promote use of Hindi in correspondence. Most of the officers/employees of the Department are having working knowledge of Hindi. 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 in the following paras.

### 9.3 Implementation of Section 3(3) of the Official Language Act, 1963:

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 Hindi and English. 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. Efforts to increase the original correspondence in Hindi with the State Governments are also being made.

#### **9.4 Hindi Training:**

The Official Language Division of the Department is in the progress of preparing a roster regarding working knowledge/proficiency in Hindi. After the completion of the process, the Official Language Division will be in a position to ascertain the number of employees who are to be imparted training of Hindi typing/stenography/Hindi word processing/Prabodh/Praveen/Pragya/Parangat etc. Such employee will be nominated for training organized by Central Hindi Training Institute under Hindi Teaching Scheme.

#### **9.5 Reports relating to Official Language, Hindi:**

The quarterly/Annual Assessment Reports were prepared and sent to the Department of Official Language and above reports received from the PSUs/offices under the administrative control of the Department were reviewed.

#### **9.6 Annual Programme:**

Annual Programme issued by

Department of Official Language for the year 2023-24 was received and circulated to its sections and PSUs/offices under the administrative control of the Department.

#### **9.7 Official Language Implementation Committee (OLIC):**

An Official Language Implementation Committee (OLIC) has been constituted under the chairmanship of Joint Secretary (AS) in the Department. This committee regularly reviews the progress made in the use of Hindi in the Department and its attached office FICC and 07 PSUs on a Quarterly basis. It gives appropriate suggestions and recommends measures to be taken for the effective implementation of the official language policy.

#### **9.8 Hindi Salahkar Samiti:**

With a view to render advice for effective implementation of the official language policy of the Government, the Hindi Salahkar Samiti (Hindi Advisory Committee) of the Ministry of Chemicals and Fertilizers, which is the joint committee of the Department of Chemicals & Petrochemicals, Department of Pharmaceuticals and the Department of Fertilizers, has been reconstituted vide Department of Fertilizers Resolution

No.E.11014/2/2019-Rajbhasha dated 11.10.2021. The meeting of this committee under the chairmanship of Hon'ble Minister (C&F) was held on 30 May, 2023 at India Habitat Centre in New Delhi.

**9.9 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 in this Department. This scheme carries two first prizes of Rs.5000/- each, three second prizes of Rs.3000/- each and five third prizes of Rs.2000/- each. Prizes were given to total 7 (seven) participants for the year 2022-23.

**9.10 Hindi Day/Hindi Pakhwada:**

In order to encourage the use of Hindi in official work amongst officers/employees of the Department, the message from Hon'ble Home Minister was circulated among the officers/ employees of the Department and all PSUs under the administrative control of the Department. During the Hindi Pakhwada, which was organized in the Department from 14th to 28th September, 2023, various competitions such as Hindi Essay writing, Hindi typing, extempore speech in Hindi, noting and drafting

in Hindi (separately for Hindi and non-Hindi speaking employees), General Knowledge and Rajbhasha Prashnottari in Hindi were organized. Officers/ employees took part enthusiastically in these competitions and total 33 prizes were given. Hindi Pakhwada competitions prize money for the First, Second, Third & Consolation prizes is Rs.5000, Rs.4000, Rs.3000 and Rs.2000 respectively.

**9.11 Hindi Workshops:**

During the year, 02 Hindi workshops were organized in the Department on 22 and 25 September, 2023 to overcome the hesitation of working in Hindi and to encourage the officials to do their more and more work in Hindi. "हिन्दी की तिमाही प्रगति रिपोर्ट भरना " and "कम्प्यूटर पर हिन्दी में काम करने की सुविधाएं और आईटी टूल" were the topics of these Hindi Workshops. Total 37 officers/employees participated in these workshops.

**9.12 Inspections regarding progressive use of Hindi:**

In order to oversee the official language implementation, OL inspection of 7 PSUs/offices of the Department was done during the past one year.



Meeting of the Hindi Salahkar Samiti of the Ministry of Chemicals & Fertilizers was held on 30 May, 2023 under the chairmanship of Dr. Mansukh Mandaviya, Honb'le Minister (H&FW and C&F).



Dr. Mansukh Mandaviya, Honb'le Minister (H&FW and C&F) lighting the lamp of the meeting of the Hindi Salahkar Samiti.



Senior officers of all 3 Departments and PSUs of the Ministry of C&F in discussion with the members of Hindi Salahkar Samiti.



Hindi Pakhwada was organised in the Department of Fertilizers from 14 to 28 September, 2023 during which different competitions and Hindi workshops were organised. Officers/officials participated in the competitions enthusiastically.



## CHAPTER- 10

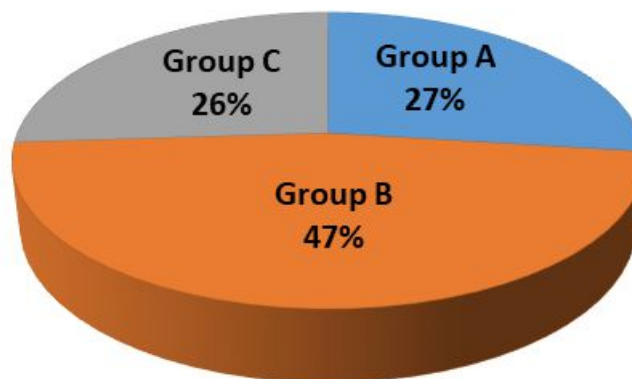
# WELFARE OF SCs, STs, OBCs AND PERSONS WITH BENCHMARK, DISABILITIES (PwBDs)

**10.1** 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 Scheduled Castes (SCs), Scheduled Tribe (STs), Other Backward Classes (OBCs) and Persons with Benchmark

Disabilities (PwBDs) categories in various groups of services in the Department.

**10.2** For the welfare of SC, ST, OBC, EWS, PWD and Ex-serviceman, Sh. Johan Topno, Deputy Secretary has been nominated as liason officer of SC, ST, EWS, PWD and Ex-serviceman and Sh. Padamsing Pradipsing Patil, Director has been nominated as liason officer of OBC.

### Staff- Position (Group-wise) in The Department of Fertilizers



**Women Empowerment:**

**10.3** 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.

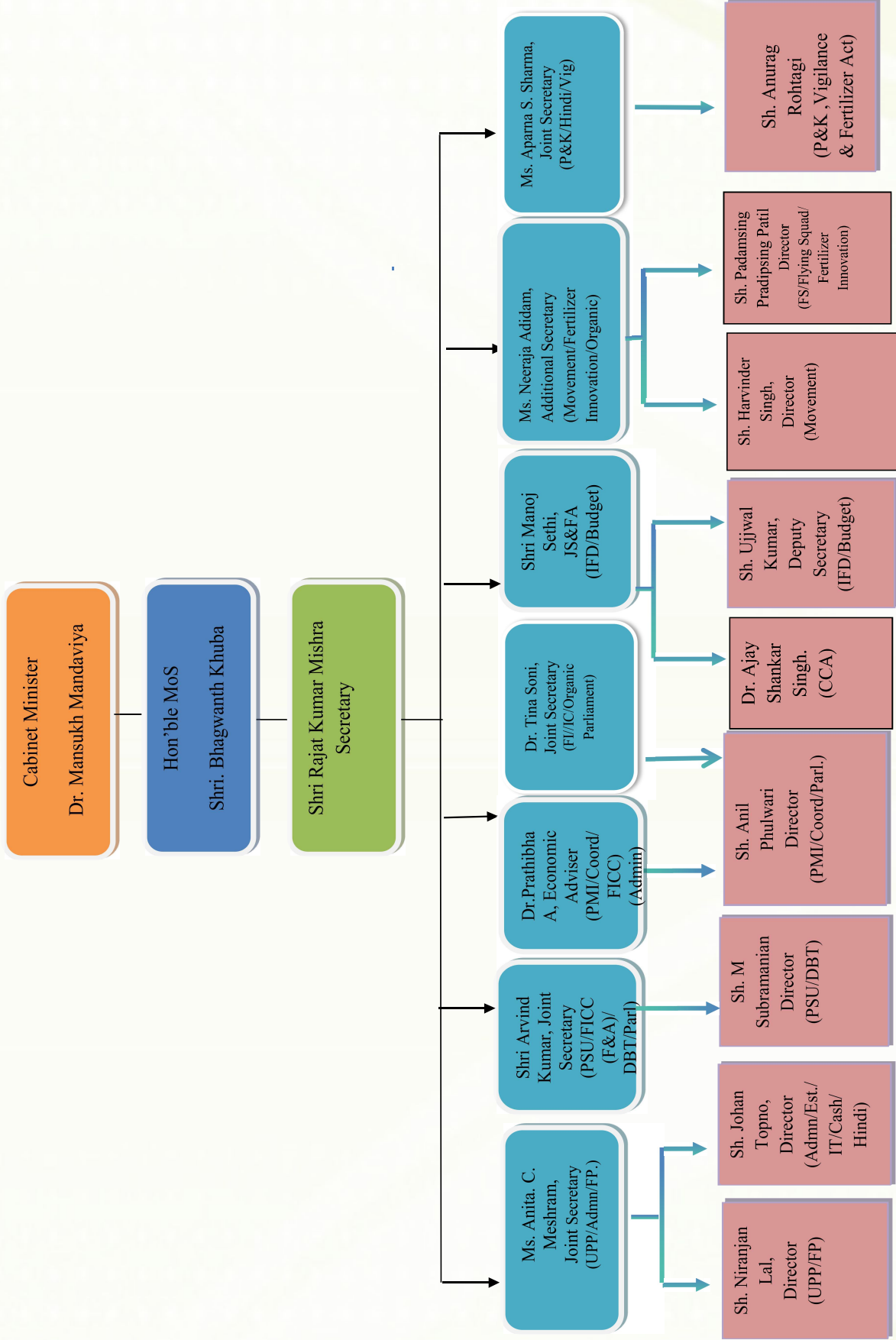
**10.4** As per the extant guidelines,

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. Geeta Mishra who is working as Deputy Secretary in this Department. The committee comprises of 7 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 2023-24 (up to 31.12.2023) no sexual harassment case was reported.

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Organizational Structure of Department of Fertilizers

Annexure I



## Annexure II

### List of Subjects allocated to the Department of Fertilizers as per Government of India

#### ALLOCATION OF BUSINESS RULES, 1961

1. Planning for fertilizer production including import of fertilizer through a designated canalising agency.
2. Allocation and supply linkages for movement and distribution of urea in terms of assessment made by the Department of Agriculture, Cooperation and Farmers Welfare
3. Administration of concession schemes and management of subsidy for controlled as well as decontrolled fertilizers including determination of retention price for urea, quantum of concession of decontrolled fertilizers costing of such fertilisers and pricing of Phosphatic and Potassic fertilizers.
4. Administration of the Fertilizers (Movement Control) Order, 1960.
5. Administrative responsibility for fertilizer production units in the cooperative sector, namely, Indian Farmers Cooperative Limited (IFFCO), Krishak Bharati Cooperative Limited (KRIBHCO).
6. Administrative responsibility for the Indian Potash Limited (IPL).

## Annexure III

## Sector-wise Capacity of major fertilizer manufacturing units

Sl. No.	Name of the State	Name of the fertilizer manufacturing units/Locations	Produced fertilizers and their Capacity as on 01.04.2024 (in '000' MT)			
			Reassessed Capacity	Installed capacity as per Company (as on 01.04.2023)		
PUBLIC SECTOR			Urea	DAP	Complex Fertilizers	Ammonium Sulphate
1	Haryana	National Fertilizers Ltd. : Panipat	511.50	-	-	-
2	Madhya Pradesh	National Fertilizers Ltd. : Vijaipur-I	864.60	-	-	-
3		National Fertilizers Ltd. : Vijaipur-II	864.60	-	-	-
4	Punjab	National Fertilizers Ltd. : Nangal-II	478.50	-	-	-
5		National Fertilizers Ltd. : Bhatinda	511.50	-	-	-
6	Maharashtra	Rashtriya Chemicals & Fertilizers Ltd.: Trombay	330.00	-	420.00	-
7		Rashtriya Chemicals & Fertilizers Ltd., Thal	1706.90	-	-	-
	Assam	Brahmaputra Valley Fertilizers Corporation Ltd., Namrup-II	240.00			
8		Brahmaputra Valley Fertilizers Corporation Ltd., Namrup-III	315.00	-	148.50	-
9	Kerala	Fertilizer and Chemicals & Travancore Ltd. : Udyogamandal	-	-	544.50	225.00
10		Fertilizer and Chemicals & Travancore Ltd. : Cochin	-	-	485.00	-
11	Tamil Nadu	Madras Fertilizer Ltd. : Chennai	486.75	-	280.00	-
COOPERATIVE SECTOR						
12	Gujarat	Indian Farmers Fertilizers Co-operative Ltd.: Kandla	-	1200.00	1215.4	-
13		Indian Farmers Fertilizers Co-operative Ltd.: Kalol	544.50	-	-	-

14	<b>Odisha</b>	Indian Farmers Fertilizer Co-operative Ltd. : Paradeep	-	1450.00	470.00	-
15	<b>Uttar Pradesh</b>	Indian Farmers Fertilizer Co-operative Ltd. : Phulpur-I	551.10	-	-	-
16		Indian Farmers Fertilizer Co-operative Ltd. : Phulpur-II	864.60	-	-	-
17		Indian Farmers Fertilizer Co-operative Ltd. : Aonla-I	864.60	-	-	-
18		Indian Farmers Fertilizer Co-operative Ltd. : Aonla-II	864.60	-	-	-
19	<b>Gujarat</b>	Krishak Bharati Co-operative Ltd.: Hazira	1729.20	-	-	-
<b>PRIVATE SECTOR</b>						
20	<b>Andhra Pradesh</b>	Nagarjuna Fertilizers and Chemicals Ltd.: Kakinada-I	597.30	-	-	-
21		Nagarjuna Fertilizers and Chemicals Ltd.: Kakinada-II	597.30	-	-	-
22		Coromandal International Ltd. :Kakinada	-	0.00	1925.00	-
23		Coromandel International Ltd.: Vizag	-	0.00	1300.00	-
24	<b>Goa</b>	Paradeep Phosphate Ltd (earlier ZACL): Goa	399.30	200.00	586.00	-
25	<b>Gujarat</b>	Gujarat Narmada Valley Fertilizer & Chemicals Ltd. : Bharuch	636.90	-	142.50	-
26		Gujarat State Fertilizers & Chemicals Ltd. : Vadodara	370.59	-	200.00	459.00
27		Gujarat State Fertilizers & Chemicals Ltd. : Sikka	-	722.00	0.00	-
28	<b>Karnataka</b>	Manglore Chemicals & Fertilizers Ltd. : Manglore	379.50	20.00	240.00	-
29	<b>Maharashtra</b>	Mahadhan Agritech Ltd./ Smartchem/DFPCL : Taloja	-	-	880.00	-
30	<b>Odisha</b>	Paradeep Phosphate Ltd. : Paradeep	-	725.00	895.00	-
31	<b>Rajasthan</b>	Chambal Fertilizers and Chemicals Ltd. : Gadepan-I	864.60	-	-	-
32		Chambal Fertilizers and Chemicals Ltd. : Gadepan-II	864.60	-	-	-
33		Chambal Fertilizers and Chemicals Ltd. : Gadepan-III	1270.50	-	-	-
34		Shriram Fertilizers & Chemicals Ltd. : Kota	379.50	-	-	-

35		Coromandel International Ltd. : Ennore	-	-	0.00	-
36	Tamil Nadu	Southern Petrochemical Inds.Corpn.Ltd. : Tuticorin	620.40	-	-	-
37		Greenstar Fertilizer Ltd. : Tuticorin	-	513.40	386.58	-
38	Telangana	Ramangundam Fertilizers & Chemicals Ltd. (RFCL)	1270.50	-	-	-
39	Uttar Pradesh	Indorama/GRASIM/IGF : Jagdishpur	864.60	-	-	-
40		Yara Fertilizers India Pvt. Ltd./TCL : Babrala	864.60	-	-	-
41		KFL/Kribhco Shyam Fertilizers Ltd. : Shahjahanpur	864.60	-	-	-
42		Kanpur Fertilizers & Chemicals : Panaki	722.70	-	-	-
43		Hindustan Urvarak & Rashayan Ltd. (HURL) : Gorakhpur	1270.50			
44	West Bengal	Indorama India/TCL : Haldia	-	558.00	945.50	-
45		Matix Fertilizers & Chemicals Ltd. : Panagarh	1270.50	-	-	-
46	Bihar	Hindustan Urvarak & Rashayan Ltd. (HURL) : Barauni	1270.50			
47	Jharkhand	Hindustan Urvarak & Rashayan Ltd. (HURL) : Sindri	1270.50			
48	Madhya Pradesh	Madhya Bharat Agro Product Ltd. (MBAPL-II)			240.00	
49		Krishna Phoschem Ltd. IND			330.00	
<b>Total</b>			<b>28377.44</b>	<b>5388.40</b>	<b>11633.98</b>	<b>684.00</b>

YEAR	Production		Fig. in LMT
	Urea	DAP	Complex Fertilizers
2011-12	219.84	39.63	77.70
2012-13	225.75	36.47	61.80
2013-14	227.15	36.11	69.13
2014-15	225.85	34.44	78.32
2015-16	244.75	37.87	83.01
2016-17	242.01	43.65	79.66
2017-18	240.23	46.50	82.57
2018-19	238.99	38.99	89.98
2019-20	244.58	45.50	86.61
2020-21	246.05	37.74	93.21
2021-22	250.72	42.22	83.27
2022-23	284.94	43.47	92.95
2023-24 ( up to March 24)	314.09	42.93	95.48

Sources : dbtfert.nic.in



## Plant wise Actual Production of Urea during 2018 19 to 2023 24

(Fig. in LMT)

NAME OF PLANTS	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Actual	Actual	Actual	Actual
<b>PUBLIC SECTOR:</b>						
NFL:Nanga-II	5.41	5.75	5.47	5.32	5.45	5.21
NFL:Bhatinda	5.84	5.63	5.77	5.29	5.82	4.72
NFL:Panipat	5.74	5.52	5.83	4.69	5.70	5.30
NFL:Vijaipur	10.29	9.84	9.66	10.41	10.50	10.43
NFL:Vijaipur Expn.	11.32	10.53	11.27	9.55	11.87	11.24
<b>Total(NFL):</b>	<b>38.59</b>	<b>37.27</b>	<b>37.99</b>	<b>35.25</b>	<b>39.34</b>	<b>36.89</b>
BVFC:Namrup-II	0.58	0.46	0.02	0.00	0.00	0.00
BVFC:Namrup-III	2.29	1.10	1.30	1.70	2.23	1.80
<b>Total(BVFC):</b>	<b>2.86</b>	<b>1.56</b>	<b>1.32</b>	<b>1.70</b>	<b>2.23</b>	<b>1.80</b>
RCF:Trombay-V	3.92	3.25	3.39	3.27	3.16	3.39
RCF:Thal	19.84	20.22	19.12	18.59	18.80	18.42
<b>Total(RCF):</b>	<b>23.75</b>	<b>23.47</b>	<b>22.51</b>	<b>21.86</b>	<b>21.96</b>	<b>21.81</b>
MFL:Chennai	3.94	3.45	4.81	5.04	5.20	4.33
<b>TOTAL PUBLIC SECTOR:</b>	<b>69.15</b>	<b>65.75</b>	<b>66.63</b>	<b>63.85</b>	<b>68.73</b>	<b>64.83</b>
<b>COOP. SECTOR:</b>						
IFFCO:Kalol	6.02	6.02	6.24	5.45	6.62	6.19
IFFCO:Phulpur	6.71	7.50	7.06	6.40	6.51	7.05
IFFCO:Phulpur Expn.	10.48	12.16	10.64	8.38	12.24	12.00
IFFCO:Aonla	11.22	12.20	11.04	12.07	11.52	12.26
IFFCO:Aonla Expn.	11.18	10.87	11.77	11.32	11.92	11.36
<b>Total(IFFCO):</b>	<b>45.62</b>	<b>48.75</b>	<b>46.75</b>	<b>43.61</b>	<b>48.80</b>	<b>48.86</b>
KRIBHCO:Hazira	23.42	23.31	23.23	22.08	22.21	23.35
<b>TOTAL COOP. SECTOR:</b>	<b>69.04</b>	<b>72.05</b>	<b>69.99</b>	<b>65.69</b>	<b>71.01</b>	<b>72.21</b>
<b>Total (Pub.+Coop.)</b>	<b>138.20</b>	<b>137.80</b>	<b>136.61</b>	<b>129.53</b>	<b>139.75</b>	<b>137.04</b>
<b>PRIVATE SECTOR:</b>						
GSFC:Vadodara	3.71	3.21	3.71	3.63	3.71	3.77
SFC:Kota	3.90	3.87	4.01	3.92	3.98	4.10
KFCL (DIL):Kanpur	6.73	7.23	6.72	6.73	6.28	6.85
PPL/ZACL:Goa	4.09	2.33	4.66	4.34	4.25	3.47
SPIC:Tuticorin	6.52	5.50	6.20	6.20	7.59	5.23
MCF:Mangalore	3.50	3.80	3.54	4.29	3.32	4.35
GNFC:Bharuch	6.45	6.91	6.43	6.61	6.38	6.41
Indorama/Grasim:Jagdishpur	11.37	11.15	10.95	10.45	11.17	11.38
NFCL:Kakinada-I	3.89	3.28	5.28	7.53	6.08	6.45
NFCL:Kakinada-II	1.96	3.65	2.16	1.61	5.13	6.65
CFCL:Gadepan-I	11.33	9.51	11.15	10.10	10.22	10.40
CFCL:Gadepan-II	9.87	10.45	9.62	9.49	10.39	9.58
CFCL:Gadepan-III	3.83	12.70	12.70	13.55	12.86	13.84

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YARA/TCL:Babrala	13.01	12.84	11.55	12.98	11.82	12.31
KFL/KSFL:Shahjhanpur	10.64	10.34	10.74	9.65	10.95	10.66
Matix Fertilizers and Chemicals Ltd.	0.00	0.00	0.00	6.29	10.52	14.99
RFcL-Urea		0.03	0.02	3.83	8.41	11.12
HURL: Gorakhpur					8.66	13.50
HURL: Barauni					1.74	10.57
HURL: Sindri					1.74	11.44
<b>TOTAL PRIVATE SECTOR:</b>	<b>100.80</b>	<b>106.77</b>	<b>109.44</b>	<b>121.19</b>	<b>145.20</b>	<b>177.06</b>
<b>TOTAL (PUB.+COOP.+PVT.)</b>	<b>238.99</b>	<b>244.58</b>	<b>246.05</b>	<b>250.72</b>	<b>284.94</b>	<b>314.10</b>

Sources: dbtfert.nic.in

ANNEXURE-I.

No. 12012/3/2006-FPP  
Government of India  
Ministry of Chemicals & Fertilizers  
(Department of Fertilizers)

Shastri Bhawan, New Delhi.  
8<sup>th</sup> March 2007

To,

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

**Subject Policy for Stage-III of New Pricing Scheme for urea manufacturing units.**

Sir,

I am directed to refer to this Department's letter No. 12019/5/98-FPP dated 30<sup>th</sup> January 2003 and No. 12019/19/2003-FPP, Dated 29-7-2003 vide which the salient features of Stage- I & II of New Pricing Scheme (NPS) introduced w.e.f 1.4.2003, were communicated. It was, inter alia, communicated that the modalities of Stage-III would be decided by the Department of Fertilizers (DOF) after review of the implementation of Stage-I and Stage-II. It has been decided to implement Stage-III of NPS with certain modifications as contained in the succeeding paragraphs.

(A) Duration.

2. The Policy for NPS Stage-III will be effective from 1.10.2006 to 31.3.2010. Stage-II Policy has been extended upto 30.9.2006. The policy for incentivizing additional production of urea during Stage-III of NPS will be applicable from the date of notification and till then the additional production of urea by units beyond 100% of their capacity will be governed by the existing policy of sharing of the net gain between the Government and the unit in the ratio of 65:35.

(B) Grouping of urea units

3. During Stage-III of NPS, the following measures will be taken to calculate concession rates of urea units :-

(i) Existing six group classification will continue as given in Annexure, I-A.

(ii) Group averaging will be done after updation of all costs upto 31.3.2003.

(iii) Capacity utilization levels of 93% for pre-92 Naphtha and FO/LSHS based plants and 98% for pre-92 gas, post-92 gas, post-92 Naphtha and mixed energy based plants will be considered for calculating the base concession rates of urea units as on 31.3.2003.

(iv) Transportation cost of gas will be computed and paid separately.

(v) The updated notional concession rates of all urea units as on 1.4.2003 so determined on the pattern followed during Stage-I of NPS will form the basis to calculate the concession rate payable to each urea unit during Stage-III of NPS commencing from 1.10.2006. No outlier benefit will be admissible to any unit in Stage-III of NPS.

(vi) On the base concession rate so determined for each unit, only escalation and de-escalation on components of variable cost on actual basis subject to pre-set energy norms given in Stage – III.

(vii) A deduction of Rs 50/MT from the concession rates of pre-92 Naphtha and FO/LSHS based and Rs. 75/MT from the other units for the reduced capital related charges (CRC) will be made.

(viii) The respective pre-set energy consumption norm of each urea unit during Stage-II of NPS or the actual energy consumption achieved during the year 2002-03, whichever is lower, will be recognized as the norm for Stage-III of NPS.

(ix) Saving on energy over the pre-set norms will be paid as per the basic rate of the weighted average of feed/fuel used during Stage-III of NPS.

**(C) Resumption of urea production by units under shutdown.**

4. Resumption of production by urea units currently not in production. viz, RCF-Trombay-V, FACT-Cochin and Duncans Industries Limited (DIL)-Kanpur is allowed based on natural gas/LNG/CBM/Coal gas. Upon resumption, the base concession rate of these units will be the Stage-III concession rate of the group to which they belonged, or their own concession rate updated till 31.3.2003 for all costs and thereafter adjusted for the feedstock changeover, whichever is lower.

**(D) Conversion of non-gas based units to NG/LNG.**

5. (i) All functional Naphtha and FO/LSHS based units should get converted within a period of 3 years (of these, Shriram Fertilizers &

Chemicals Ltd (SFC) Kota is expected to convert by the end of the current financial year). On the expiry of the aforementioned period, the Government will not subsidize the high cost urea produced by the non-gas based urea units and rate of concession of such units will be restricted to the lower of the prevalent import parity price (IPP) or their own rate. Units not able to tie up gas will have to explore alternative feedstock like Coal Bed Methane(CBM) and coal gas.

(ii) In order to provide incentives for conversion to gas, since there is no recognition of investment made by units for conversion, there will be no mopping up of energy efficiency for a fixed period of 5 years for Naphtha based as well as for FO/LSHS based units. Capital subsidy will be considered for FO/LSHS based units for which DOF will notify a separate scheme in consultation with Department of Expenditure(DOE) Ministry of Finance.

(iii) For conversion of the non-gas based Urea Plants to Natural Gas (NG) / Liquefied Natural Gas (LNG), a Committee headed by Petroleum Secretary, comprising of Secretaries of Planning Commission, Department of Fertilizers and Department of Expenditure has been constituted for facilitating the connectivity and supply of gas to non-gas based units converting to gas and to develop appropriate mechanism for fixing the price of gas in a transparent manner.

**(E) Incentives for additional urea production.**

6. The following measures are decided to be implemented to incentivise additional Urea production in the country:-

(i) No permission will be required from the Government for production beyond 100% of re-assessed urea capacity of the unit.

(ii) All production between 100% and 110% of the existing reassessed capacity, if so required by the government as per the approved production plan will be incentivized on the existing net gain sharing formula between the Government and the unit in the ratio of 65:35 respectively with the proviso that the total amount paid to the units, after including the component of variable cost will be capped at the unit's own concession rate.

(iii) Units increasing production beyond 110% may be compensated at their concession rate, subject to the overall cap of IPP.

(iv) While procuring additional urea beyond 100% of the reassessed capacity of urea units, a merit order system of procurement will be followed. In other words, the units which

supply urea at the least cost would be given preference in procurement.

(v) The cost of feedstock/fuel allowed will be in the ratio of gas/LNG/Naphtha etc. with reference to actual ratio of consumption of annual actual production of urea up to that portion of the incremental production of urea required by the Government for sale to agriculturalists. Energy/inputs for non-agricultural sale/exports and surplus ammonia shall be allocated on costlier feed/fuel basis.

(vi) To the extent that the Government does not require any quantities of additional production for direct sale to agriculturalists, the concerned units would be free to dispose of the remaining quantities by way of exports, sale to complex manufacturers etc. without seeking prior permission of DOF.

(vii) Government will not subsidize the additional production, if not required by it for agricultural consumption.

**(F) Distribution and Movement Issues**

7. The following measures have been decided to be implemented for movement of Urea to District level and below :-

(i) The Government will continue to retain the authority to direct movement of urea stock up to 50% of production depending upon the exigencies of the situation.

(ii) States would be required to allocate the entire quantity of planned urea arrivals i.e., both regulated and de-regulated urea in a District-wise, month-wise and supplier wise format.

(iii) Each unit will maintain a district level stock point in the districts where it is required to supply urea. These district level stock points will be the primary Godowns.

(iv) Subsidy to individual units will be reimbursed based on conformity to planned movement up to district level for both controlled and de-controlled urea. The monitoring of the movement and distribution of urea throughout the country will be done by an On-line computer-based monitoring system. The time limit of existing payment system i.e., 45 days will be adhered to. It will be ensured that no certification by State Governments is required for release of subsidy to urea Units. Subsidy will be paid only when the urea reaches the district.

(v) The Department will operate a buffer stock through the State Institutional Agencies /Fertilizer Companies in States up to a limit of 5% of their seasonal requirement.

(vi) The Department will work through the agricultural department of the states to realize the objective of adequate and timely availability of urea at the Block level.

**8. The freight reimbursement to urea units under NPS-III will be done as follows:-**

(i) Primary Freight will be reimbursed on the basis of actual leads for rail movement;

(ii) Reimbursement of railway freight will be as per the actual expenditure;

(iii) For the road component of the primary freight, road leads will be as per actual distance to the primary godown and per tonne Km. rates will be escalated by the composite road transport index { weighted average of the Wholesale Price Indices (WPIs) of HSD oil, Motor Tyres, Truck Chassis and All Commodities};

(iv) One time enhancement of 33% will be granted on the road component of primary freight to offset the impact of Supreme Court directed maximum truckload limit of 9 MT on road vehicles;

(v) Tariff Commission will be requested to fix average leads and per tonne km base rates for road transportation in the case of secondary movement. These rates will be escalated by WPI (composite road transport index) every year;

(vi) Pending finalization of leads and rates by the Tariff Commission, secondary freight which was frozen at 2002-03 rates during Stages I & II of NPS will be escalated by the increase/decrease in WPI (composite index) since 2002-03;

(vii) The Freight computed and paid as per the policy shall not exceed the actual freight expenditure incurred by the units.

(viii) The existing scheme for special freight subsidy will continue for supplies to the North Eastern States and Jammu & Kashmir.

**(G) Policy in respect of high cost units (producing at higher than IPP):**

**9. In order to disincentivise high cost production of B Naphtha and FO/LSHS based units whose cost of production is higher than the prevalent IPP, to facilitate their early conversion to gas, these units are allowed to produce 100% of capacity should they adhere to an agreed timetable for conversion to gas and tie up of gas/LNG/CBM/Coal gas. If they do not, they will be given only 75% of the difference between the rate of concession and variable cost component (i.e., 75% of the balance fixed costs beyond 93% of**

capacity utilization) in the 1<sup>st</sup> year (1.4.2007) and 50% of the fixed cost beyond 93% capacity utilization from 2<sup>nd</sup> year (1.4.2008) onwards.

(H) Policy for Import of urea.

10. The existing system of import of urea through designated State Trading Enterprises (STEs) i.e. Minerals & Metals Trading Corporation (MMTC), State Trading Corporation (STC) and Indian Potash Limited (IPL) will continue.

(I) Policy for Joint Ventures Abroad

11. To encourage setting up of JV fertilizer plants abroad in countries where gas is available in abundance and is much cheaper, the JVs for production of urea will be set up abroad subject to the condition that the Government will enter into / encourage long term buy back arrangements with JVs abroad depending upon merits. Accordingly, suitable mechanisms be evolved for effectively securing long term fertilizer related supplies, including through investments and joint ventures abroad.

(J) Other Measures

12. Cost of bags

The cost of bags, which was frozen during Stage-I & II of NPS, will now be allowed based on moving weighted average cost of bags to compensate for the rise in prices over the last three years. For the year 2006-07, the weighted average of the cost of bags for each unit will be for the three years beginning 2002-03 and accordingly thereafter.

13. Taxes on inputs

For Stage-III, it is decided that sales tax on inputs and other taxes recognized under RPS will be paid on actual basis. Where Value Added Tax (VAT) has been introduced, such of the above taxes as are subsumed in it will be recognized to the extent they are non-vatable.

In case of any issue/dispute relating to interpretation of the policy, the decision of Department of Fertilizers shall be final. The above provisions will remain in force during the Stage-III of NPS or until further orders, whichever is earlier.

Yours faithfully,

  
(Deepak Singhal)<sup>3/2</sup>

Joint Secretary to the Government of India  
Tel No. 23381294



## ANNEXURE- I-A

Classification of urea units into 6 groups

S. N O.	Name of the Group	Name of the units
I	Pre-1992 Gas based units	<ol style="list-style-type: none"> <li>1. Brahmaputra Valley Fertilizers Corporation Limited (BVFCL)-Namrup-III</li> <li>2. Indian Farmers Fertilizer Cooperative (IFFCO)-Aonta-I</li> <li>3. Indo-Gulf Jagdishpur</li> <li>4. Krishak Bharati Cooperative (KRIBHCO)-Hazira</li> <li>5. National Fertilizers Limited (NFL)-Vijaipur-I</li> <li>6. Rashtriya Chemicals &amp; Fertilizers Limited (RCF)-Trombay-V*</li> </ol>
II	Post-1992 Gas based units	<ol style="list-style-type: none"> <li>1. Nagarjuna Fertilizers &amp; Chemicals Limited (NFCL)-Kakinada-I</li> <li>2. Chambal Fertilizers &amp; Chemicals Limited (CFCL)-Gadepan-I</li> <li>3. Tata Chemicals Limited (TCL)-Babrana</li> <li>4. Oswal Chemicals &amp; Fertilizers Limited (OCFL)/Kribhco Shyam Fertilizers Limited (KSFL)-Shahjahanpur</li> <li>5. NFCL-Kakinada-II</li> <li>6. IFFCO-Aonta-II</li> <li>7. NFL-Vijaipur-II</li> </ol>
III	Pre-1992 Naphtha based units	<ol style="list-style-type: none"> <li>1. Fertilizers &amp; Chemicals Travancore Limited (FACT)-Cochin*</li> <li>2. Duncans Industries Limited (DIL), Kanpur*</li> <li>3. IFFCO-Phulpur-I</li> <li>4. Mangalore Chemicals &amp; Fertilizers Limited (MCFL)-Mangalore</li> <li>5. Madras Fertilizers Limited (MFL)-Manali</li> <li>6. Sriram Fertilizers &amp; Chemicals Limited (SFC)-Kota</li> <li>7. Southern Petrochemical Industries Limited (SPIC)-Tuticoria</li> <li>8. Zuari Industries Limited (ZIL)-Goa</li> </ol>
	Post-1992 Naphtha based units	<ol style="list-style-type: none"> <li>1. IFFCO-Phulpur-II</li> <li>2. CFCL-Gadepan-II</li> </ol>
V	FO/LSHS based units	<ol style="list-style-type: none"> <li>1. Gujarat Narmada Valley Fertilizers Company Limited (GNVFC)-Bharuch</li> <li>2. NFL-Nangal</li> <li>3. NFL-Bhatinda</li> <li>4. NFL-Panipat</li> </ol>
VI	Mixed energy based units	<ol style="list-style-type: none"> <li>1. Gujarat State Fertilizers &amp; Chemicals Limited (GSFC)-Vadodara</li> <li>2. IFFCO-Kalol</li> <li>3. RCF-Thal</li> </ol>

\* Not in production.

ANNEXURE-II

(Specimen of the undertaking)

From

To,

The President of India

Whereas the Government of India have decided to introduce a Pricing Scheme to be administered by the Fertilizer Industry Coordination Committee (FICC) for all urea producing units with effect from 1.4.2003 and such Scheme is intended to sustain and ensure the healthy development of the urea industry based on international standards of efficiency;

And whereas the broad features of the Scheme are set forth for Stage-I and II in the Ministry of Chemicals & Fertilizers, Department of Fertilizers' letter No.12019/5/98-FPP dated 30.1.2003, issued to replace the existing Scheme, communicated vide ED/FICC/94/2002 dated 4<sup>th</sup> June 2002 and the policy for Stage-III of New Pricing Scheme communicated vide letter No. ED/FICC/XX dated the ..... March 2007.

We, ..... (which expression shall include all our successors and assigns) do hereby undertake and promise to accept and abide by all the terms and conditions contained in different provisions of the Pricing Scheme for urea producing units as communicated to us by the Department of Fertilizers vide letter No.12019/5/98-FPP dated 30.1.2003 and letter No. 12012/3/2006-FPP, dated 8<sup>th</sup> March 2007 along with annexure thereto and also to the rules, notifications and regulations framed by the Department of Fertilizers/ FICC from time to time to give effect to the Scheme;

We further undertake and promise to carry out periodic financial transactions under the Scheme through such Account or Fund and in such manner as the Government/ FICC may, from time to time prescribe or direct.

We further undertake and promise to abide by the decisions of the Fertilizer Industry Coordination Committee which is the competent authority to determine the concession rates.

SIGNED by our representative Shri/Smt ..... on dated ..... on our behalf as holder of General Power of Attorney dated ..... executed in pursuance of the Resolution No..... dated ..... passed by the Board of Directors of .....

IN THE PRESENCE OF

Signed by

For and on behalf of

Witnesses

1.

2.

Power of Attorney

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

Shastri Bhawan, New Delhi.  
25<sup>th</sup> May, 2015.

To,  
CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/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.**

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-Babrara, NFCL-Kakinada-I & II and IFFCO-Phulpur-II (Thirteen units).
- ii. **Group-II** includes the following urea units having pre-set energy norms between 6.0 G Cal/MT to 7.0 G Cal/ MT:
  - a. IFFCO-Kalol, GSFC-Baroda, RCF-Thal and GNVFC-Bharuch (Four Units)
- iii. **Group-III** includes the following urea units having pre-set energy norms more than 7.0 G Cal/MT:

- a. NFL-Nangal, NFL-Panipat, NFL-Bhatinda, ZACL-Goa, SFC-Kota, RCF-Trombay-V, IFFCO-Phulpur-I and KFCL-Kanpur (Eight units).
- 2.2 MFL- Manali, MCFL-Mangalore, SPIC Tuticorin, BVFCL - Namrup-II and BVFCL - Namrup-III will not be covered under this scheme because these units are not connected to gas pipeline network in the country.
- 2.3 BVFCL - Namrup-II and BVFCL - Namrup-III are proposed to be closed and to install a new high efficiency unit and will be dealt separately under their restructuring proposal. Till then, these two units will function under the provisions of Modified NPS-III.
- 2.4 The twenty five units in para 2.1 above, will be eligible to get the concession rate on the basis of revised energy norms fixed for each group from 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 set energy norms of NPS-III, whichever is lower.
- 3.2 **Energy Norms for the year 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 the 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 and 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,

(Shari 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)

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.

To

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) - Mangalore and Southern Petrochemical Industries Corporation Ltd. (SPIC) –Tuticorin using Naphtha as feedstock till gas connectivity and availability of gas to these urea manufacturing units - reg.

Sir,

In continuation of this Department's letter of even number dated 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 aforesaid plants using Naphtha as feedstock subject to the following conditions:

1. MFL-Manali, MCFL-Mangalore and SPIC-Tuticorin are allowed to operate on Naphtha on existing provisions for a period till these plants get assured supply of gas either by gas pipeline or any other means.
2. The units will be eligible for subsidy on the basis of the revised energy norms from the date of this notification (17<sup>th</sup> June, 2015), which would be the simple average of pre-set energy norms of 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.
3. The concession rate for these plants will be determined notionally on the basis of weighted average of the delivered cost of RLNG to the recently converted plants after deducting state taxes (VAT, Entry tax) on RLNG or the cost of production of

urea from Naphtha/FO after deducting state taxes levied on Naphtha/FO consumed for urea production (VAT, Entry tax) on Naphtha/FO, whichever is lower.

4. The compensation for other variable cost e.g. the cost of bag, water charges and electricity charges and fixed cost will be determined in accordance with existing provisions of NPS-III and Modified NPS-III.

5. DoF shall review the progress of infrastructure for supply of gas and readiness of these three Naphtha based urea units to receive gas, on quarterly basis.

6. The urea production by MCFL and SPIC is hereby regularized from 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 as on 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 6.5 G.Cal /MT of urea.

Yours faithfully,

(Vijay Ranjan Singh)  
Director (Fertilizers)  
Tel: 011-23386398

Copy to:

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



Annexure- IX

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,



(Dharam Prasad)  
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

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

Shastri Bhawan, New Delhi  
Dated 7<sup>th</sup> July, 2020

To

CMD/MDs of NFL, KRIBHCO, KFL, NFCL, GNFC, GSFC, SFC, KFCL, RCF, ZACL

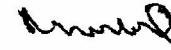
**Subject: Revision of Energy Norms under New Urea Policy-2015.**

Sir,

I am directed to refer to this Department's letter No 12012/1/2015-FPP dated 25<sup>th</sup> May, 2015 regarding New Urea Policy for existing gas based urea manufacturing units and 28<sup>th</sup> March, 2018 on the subject mentioned above and to state that in consultation with Department of Expenditure, it has been decided to extend the existing energy norms under New Urea Policy-2015 for 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 for further period of 6 months i.e. till 30<sup>th</sup> September, 2020 with the enhanced penalty of 10% of the difference between NUP Energy norms and Target Energy norms of NUP-2015.

2. It may be noted that no further extension beyond 30.09.2020 will be provided and the Target Energy Norms as per NUP-2015 will be enforced by the end of the extended period i.e. with effect from 1<sup>st</sup> October, 2020. Therefore, the aforementioned urea manufacturing units are hereby directed to take immediate necessary action to achieve the target energy norms within the specified period.

Yours faithfully,



(Bharam Pal)

Additional Secretary to the Government of India 7/7/2020  
Tele: 011-23386800

**Copy for necessary action to:**

1. The ED, FICC, 8th Floor, Sewa Bhawan, R.K. Puram, New Delhi
2. The Deputy Director, PFC-I [Miss. Shalaka Kujur], Department of Expenditure, North Block New Delhi: w.r.t. I.D. Note No. 06(07)/PF-II/2011 dated 12t June, 2020.
3. Director NIC, DoF: With a request to upload this notification on the website of the Department of Fertilizers.

**Copy for information to:**

PS to Hon'ble Minister (C&F), PS to Hon'ble MOS (C&F), PPS to Secretary (Fertilizers)/ PPS to Additional Secretary (Fertilizers)/ PPS to AS&FA/PPS to JS(PS)/PPS to JS(GS)

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12012/4/2019-UPP  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

Shastri Bhawan, New Delhi  
Dated: 28<sup>th</sup> April 2021

To

The Managing Director,  
Talcher Fertilizer Limited  
Plot No. 24, Film City, Sector-16A, Noida-201301

**Subject: Exclusive subsidy policy for Urea produced through coal gasification route by Talcher Fertilizer Limited (TFL).**

I am directed to refer to the subject mentioned above and to convey that the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on the 20<sup>th</sup> April, 2021 has approved that the concession rate/subsidy for the urea produced through coal gasification route by Talcher Fertilizers Ltd (TFL) for a period of 8 years from the date of start of production will be determined by providing 12% Post Tax IRR on equity.

Yours faithfully,



(Niranjana Lal)  
Director (UPP)

Tel. 011-23383814

**Copy to:**

1. Secretary, Department of Agriculture, Cooperation and Farmers Welfare, Krishi Bhawan, New Delhi
2. Secretary, Department of Economic Affairs, North Block, New Delhi
3. Secretary, Department of Expenditure, North Block, New Delhi
4. Secretary, Ministry of Coal, Shastri Bhawan, New Delhi
5. Secretary, Ministry of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
6. CEO, NITI Aayog, New Delhi

**Copy for information to:**

Sr. PPS to Secretary (Fert.)/ PS to JS (APS)/ PPS to EA (Fertilizers)/ Director (F&A)-FICC, Joint Director (CE)-FICC

**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: 23388891

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, FAI, 10 Shahid Jit Singh Marg, New Delhi-110067.
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(OL)-for Hindi translation.
4. Director(FA)

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.

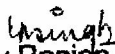
**Subject: Policy for encouraging production and availability of fortified and coated urea in the country – reg.**

Sir

In continuation to Department of Fertilizers letter of even number dated 2<sup>nd</sup> June, 2008, 11<sup>th</sup> January 2011, 7<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,

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

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

Annexure- XIV

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/MFL/BVFCL/NFL/KRIBHCO/KFL/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/TATA/  
ZACL/GIL/SPIC/MFCL

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

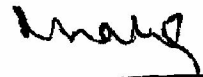
Sir,

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, Krishi Bhavan, 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), FICC, 8<sup>th</sup> Floor, Sewa Bhawan, New Delhi – 110066.
8. Director (CE), FICC, 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)  
☎: 23386800







सत्यमेव जयते

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