

**Annual Report
2020-2021
Government of India
Ministry of Chemicals and Fertilizers
Department of Fertilizers**

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CHAPTER- I

INTRODUCTION

- 1.1.** Agriculture contributes 17.1% to the country's Gross Value Added for the year 2017-18 (at current prices). 54.6% of the population is engaged in agriculture and allied activities (census 2011). Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five-year plans have laid emphasis on self-sufficiency and self-reliance in food grain production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million tonnes in 1951-52, food grain production increased to 291.95 million tonnes in 2019-20. While the target for 2019-20 has been kept at 298.3 million tonnes, the domestic requirement of food grains and also generating exportable surpluses, the significant role played by chemical fertilizers is well recognised.
- 1.2** As of now, the country has achieved 80% self-sufficiency in production capacity of Urea. As a result, India could manage its substantial requirement of nitrogenous fertilizers through the indigenous industry besides imports. Similarly, 50% indigenous capacity has been developed in respect of phosphatic fertilizers to meet domestic requirements. However, the raw-materials and intermediates for the same are largely imported. For potash (K), since there are no viable sources/reserves in the country, its entire requirement is met through imports.

Growth of fertilizer industry

1.3 The actual production of all major Fertilizers during the year 2019-20 was 425.92 LMT. The estimated Production of all the Fertilizers during the year 2020-21 is expected to be 478.99 LMT showing an increase of more than 12.46% in comparison of the previous year. The rapid build-up of fertilizer production in the country has been achieved as a result of a favourable policy environment facilitating investments in the public, co-operative and private sectors.

1.4 At present, there are 32 large size urea plants in the country manufacturing urea, 19 units producing DAP & complex fertilizers and 2 units manufacturing Ammonium Sulphate as a by-product.

1.5 The unit-wise details of Installed/Reassessed Capacity and production during the year 2019-20 & estimated production during the year 2020-21 are given in **Annexure-I**.

1.6 The Product-wise & Sector-wise details of Installed/Reassessed Capacity and production during the year 2019-20 & estimated production during the year 2020-21 are given in **Annexure-II**.

1.7 Production of Urea, DAP & Complex fertilizers during 2001-02 to 2020-21 (upto November, 2020) are at **Annexure-III**.

1.8 Unit-wise production of Urea during 2014-15 to 2020-21(upto November, 2020) are at **Annexure- IV**.

CHAPTER- 2

Organisational Set up and Functions

2.1. The main functions of the Department of Fertilizers include planning, promotion and development of the fertilizer industry, planning and monitoring of production, import and distribution of fertilizers and management of financial assistance by way of subsidy/concession for indigenous and imported fertilizers. A list of activities falling under the jurisdiction of the Department of Fertilizers is at **Annexure-V**

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

1. Fertilizers Projects and Planning (Urea Policy Division).
2. Phosphatic & Potassic Fertilizers (P&K Division) and Joint Ventures abroad (IC Division).
3. Fertilizer Imports, Movement and Distribution (Movement Division).
4. PSU Division (dealing with PSUs) & Board Level appointments.
5. Fertilizer Industry Coordination Committee (FICC), an attached office.
6. Fertilizers Subsidy (FS Wing) dealing with payment of subsidy.
7. General administration, Establishment, Parliament, Coordination, Information Technology, RTI matters & Vigilance
8. Planning, Monitoring and Innovation (PMI)
9. Finance and Budget (IFD)
10. Direct Benefits Transfer (DBT)
11. City Compost
12. Official Language (Hindi Cell)
13. Shipping Division

2.1.1 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.

2.1.2 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. The policy issues pertaining to erstwhile concession scheme.

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

- 2.1.4 Movement Wing** deals with season wise assessment of subsidized fertilizers (Urea, DAP, MOP and NPK) in consultation with DAC and to ensure adequate and timely availability of fertilizers to the farmers in all parts of the country, prepares agreed supply plan in consultation with 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.
- 2.1.5 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 nine fertilizers PSUs i.e. RCF/NFL/MFL/FACT/BVFCL/FAGMIL/PDIL/FCIL/HFCL, matters relating to two Multistate Cooperative Societies i.e. IFFCO/KRIBHCO, the work relating to disinvestment of companies, all establishment matters related to PSUs including Board level appointments, Nomination of Part-time official and Non-official Directors in fertilizers PSUs.
- 2.1.5 FICC** is an attached office under the Department of Fertilizers headed by an Executive Director. FICC is responsible to evolve and review periodically, the group concession rates including freight rates for units manufacturing nitrogenous fertilizers, maintain accounts and make payment to/ and recover amounts from fertilizers companies, undertake costing and other technical functions, collect and analyse producing data, costs and other information etc.
- 2.1.7 FS Wing** deals with payment of cost of imported urea of OMIFCO/Canalizing agencies, recovery of Pool issue price of urea from Handling Agencies, Ocean freight payments to vessel owners, subsidy disbursement in respect of Indigenous & Imported P & K fertilizers, SSP and City Compost including freight subsidy, Administrations of FMS and iFMS, reimbursement of freight, insurance charges, custom duty, handling charges etc.
- 2.1.8 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. **Establishment (erstwhile HR-II)** deals with all service related matters of officers/officials of Department of Fertilizers. **Parliament Section** work related to the Meetings of consultative committee, Standing committee, Parliamentary assurances etc and also centralized handling of parliament questions like marking of questions, handling of question once questions gets approved by Joint Secretary/Secretary, taking approval of Minister and submission of necessary copies to Lok Sabha / Rajya Sabha/ PIB etc. **IT section** deals with procurement of computers/ software and its peripherals, printers, e-office related work, and DEO related matters, payment for iFMS etc. and also all matters related to **RTI**. **Cash section** deals with salary and other advances and processing of various bills for payment in coordination with Pay and Account Office of this department. Calculation of annual income tax of officials, maintaining various financial books/records etc.

- 2.1.9 Coordination section** deals with all matters relating to coordination wherein more than 2-3 sections/divisions of the Department are involved or PSUs are involved, grievance related matters, VIP references related to personal representations, eSamiksha, preparation of Annual Report etc.
- 2.1.10 PMI** to evaluate, production input, review & formulate policies for any long planning in respect of Fertilizers. PMI also entrusted with the work related to Techno Economic Clearance for renovation/modernization scheme and the project covered under Project Imports in the fertilizer sector for availing concessional custom duty on imported goods; Review of monthly and quarterly performance of Public Sector Undertakings through holding of Quarterly Review Meetings; all matters relating to Bio-fertilizers, balanced fertilizers, soil health cards, nutrient absorption issues, micro-nutrients etc., organic fertilizers based on Urban solid waste including City Compost; Publication of Yearbook, Fertilizers Statistics of India (Indian Fertilizer Scenario); Clean technology and general environmental issues; Monitoring of International prices of fertilizers and fertilizer inputs; Replying to Parliament questions/RTI/VIP references; furnishing various information to DAC& FW and other Ministries for inclusion in their Publications etc. This division also deals with the compilation of production data of major fertilizers-Urea, DAP and Complex Fertilizers; setting of annual and monthly production targets to all Urea, DAP & Complex Fertilizers manufacturing units; monitoring and compilation of the production data of major fertilizers on daily and monthly basis company-wise, season-wise, sector-wise and nutrient-wise formats; preparation of Monthly D.O. letter to Cabinet Secretariat; Monthly Quick Estimate of fertilizers production for CSO, Ministry of Statistics & Programme Implementation (MOSPI) and Index of Industrial Production (IIP) data for MOSPI and DIPP (M/o Commerce). P&I section also provide production data on major fertilizers for various publications including Annual Report of DoF, Economic Survey etc. Further briefs/analytical notes are provided for formulation of policy etc.
- 2.1.11 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 coordination work relating to Audit paras.
- 2.1.12 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 under the DOF. It appoints Chief Vigilance Officers in the PSUs under the Administrative control of DOF, in consultation with CVC and DoPT. Besides this, Vigilance Section maintains and reviews the Agreed list, ODI list, Annual property return, etc. and issues Vigilance Clearance in respect of the employees of DOF and Board Level Officers of the PSUs.
- 2.1.13 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.

2.1.14 Official Language (Hindi Cell) deals with the matters relating to official language, translation from Hindi to English and English to Hindi, conducting Hindi training to the staff of the department, implementing orders under official language in department and fertilizers companies, conducting Hindi workshops, promotion of Hindi language and give suggestion to Hindi Official Department from time to time, conducting meetings regarding implementation of Hindi.

2.1.15 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 in a phased manner.

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

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

2.1.17 The work of all the wings of Department of Fertilizers is headed by Secretary and supported by Additional Secretary, Joint Secretaries and Economic Adviser.

2.1.18 The names of Minister-in-charge and the officers upto the level of the Deputy Secretary who are working in the Department as on 01-11-2020 are mentioned in **Annexure-VI**.

2.2 Fertilizer Industry Coordination Committee (FICC)

2.2.1 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 31

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.

- 2.2.3** 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.
- 2.2.4** 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.
- 2.2.5** 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 2018-19 were forwarded to the Department of Fertilizers for taking necessary action.
- 2.2.6** During the current financial year, all the carry over liabilities of previous financial years were paid to indigenous urea units. The urea subsidy is released as per the budgetary allocation.
- 2.2.7** 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.
- 2.2.8** 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, NUP2015 is in force.
- 2.2.9** 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) Fertilizers Industrial Policy and Promotion of Agriculture & Cooperation, (2) Department of Expenditure (3) Ministry of Petroleum

and Natural Gas, (4) Tariff Commission (5) Two representatives of the urea industry. ED(FICC) is the Member Secretary.

2.2.10 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 work out requirement of inputs needed for fertilizer units & to recommend the supplies.
- g) To recommend annual escalation/de-escalation in the freight subsidy rates on the basis of transport index.
- h) To undertake such other functions as the Government may entrust to the Committee from time to time.

2.2.11 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.

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CHAPTER- 3

DEVELOPMENT AND GROWTH OF FERTILIZER INDUSTRY

Production of major fertilizers

3.1 The production of Urea during the year 2019-20 was 244.55 LMT and the production of DAP & Complex fertilizers were 132.11 LMT. The estimated production of Urea during 2020-21 would be 262.61 LMT , which is higher than the previous year and the estimated production of DAP & Complex fertilizers would be 133.43 LMT, representing a growth rate of approximately 1.00 % in comparison of previous year.

3.2 The sector-wise production of Urea, DAP and Complex fertilizers during 2019-20 and estimated production during 2020-21 are given in the table below (Fig. in LMT)

S. No	Sector	2019-20			2020-21 (Estimated)		
		Urea	DAP	Complex fertilizers	Urea	DAP	Complex fertilizers
1.	Public Sector	65.75	-	14.81	71.28		14.29
2.	Cooperative Sector	72.05	20.93	21.65	72.15	20.04	22.83
3.	Private Sector	106.75	24.75	50.15	119.18	19.65	56.62
Total		244.55	45.50	86.61	262.61	39.69	93.74

3.3 Joint Ventures abroad

India's dependency on import at present is to the extent of 25% of our requirement of Urea, 90% in case of Phosphates, either as raw material or finished fertilizers (DAP/MAP/TSP) and 100% in case of Potash. The Government has been encouraging Indian Companies to establish Joint Ventures abroad in Countries which are rich in fertilizer resources for production facilities with buy back arrangements and to enter into long term agreement for supply of fertilizers and fertilizer inputs to India. Further, the Department is also working with the goal of having access to acquisition of the fertilizer raw materials abroad.

3.4 Joint Ventures Project:

So far, the Department of Fertilizers has undertaken Joint Ventures abroad with 5 Countries in the previous years. The details of such joint ventures in the fertilizer sector are at **Annexure- VII**. Although during the year 2020-21, no joint venture with any country was signed by this Department but during the said year a number of major developments took place with the following Countries:-

Algeria:

- I. An Algerian delegation led by the Director General-Mines and officials from PHERPOS, an Algerian government owned mining company and other mining companies like ASMIDAL visited India. During this visit the Algerian delegation met senior officials from the Department of Fertilizers and officials from fertilizer PSUs and private sector. During their interaction, the delegation invited Indian companies for undertaking feasibility studies for cooperation in the fertilizer sector.
- II. Accordingly, a draft MoU covering only the broader aspects has been prepared and shared with Algerian side through MEA for comments of Algerian side. Subsequently, Algerian side shared a draft Framework Agreement which has considerable changes as compared to the MOU shared by Indian side. Subsequently, comments from MEA, DIPP and consortium members were sought. The comments received have been incorporated in the draft Framework Agreement and the same were shared with MEA for further sharing with Algerian side. Draft framework Agreement has been furnished to the Algerian side by MEA. Response from Algerian side is awaited.

Malaysia:

- I. The Malaysian Prime Minister presented a proposal for the setting up of a urea and ammonia manufacturing plant in Melaka, Malaysia with production capacity of 2.4 million tonnes of urea and 1.35 million tonnes for ammonia per annum at an estimated investment of US\$ 2.1 billion with an assured G2G buy-back arrangement between India and Malaysia. Later the MoU has been signed between India and Malaysia on 01.04.2017.
- II. The first Joint Steering Committee (JSC) meeting as per the signed MoU was held on 28.06.2017. In the JSC meeting, it was decided to form a Commercial Negotiation Committee (CNC) for finalizing the terms and conditions for off-take of surplus Urea produced in Malaysia.
- III. The first meeting of the Commercial Negotiation Committee CNC held on 5th September, 2017. Further, Second Meeting of CNC held on 2.4.2018. From the CNC Meetings it emerges that Malaysian side is insisting on their own proposals in respect of mode of sales, contract quantity and shipment size and applicable price. Further, for finalization of the term and conditions Indian side is proposing regularly for third meeting to be held in Malaysia. Response from Malaysian side is awaited

Jordan:

MoU has been signed between India and Jordan on 1.3.2018 at New Delhi during the visit of Jordan King to India for proposed mining and beneficiation of Rock Phosphate and

for setting up Production Facility in Jordan for Phosphoric Acid/DAP/NPK Fertilizers with a long term agreement for 100% off take to India.

A Joint Steering Committee has been formed. A preparatory meeting on JSC meeting between India-Jordan was held under the chairpersonship of JS (GS) in which following decision were taken:-

- i. MEA was requested to send a political & legal analysis report on Jordan.
- ii. Consortium companies (NFL, RCF, MFL, GSFC& FACT) were requested to provide their requirement for further 10 years in writing.

All stake holders have indicated their requirements. Final agenda alongwith requirements and nominated members of delegation from Indian side for JSC meeting has been forwarded to Jordanian side. Date of JSC meeting could not be finalized (several times) due to mismatching of dates proposed by both sides. DoF had offered date of 15th and 20th April 2020 which could not be materialize due to Corona epidemic. Reply from Jordanian side is awaited.

Nepal:

Revised Draft MoU was forwarded to MEA after obtaining approval of Hon'ble Minister on 27.11.2019 with the request to arrange a meeting with Nepali delegation in Delhi at JS level to discuss/finalize the MoU on any date between 16th to 20th December,2019. A joint Secretary level meeting to discuss G2G MoU between India and Nepal for supply of Fertilizers held on 31.1.2020. Nepali side has proposed some Major changes in the MoU in Article 1 (Quantities and timeline of supply) and Article 2 (pricing). Same is under consideration.

Russia

As a follow up action on the points/gist of Protocol of the 8th Meeting of the Sub-group on Modernization, Civil Aviation, Chemical Industry (Erstwhile Fertilizers) and Mining which have also been included in the Protocol of (Main) Working Group on India Russia IGCT&EC, a round table discussion between India and Russia held on 27th February, 2020 under the chairmanship of JS (PS) duly attended by Russian Delegation and officer of DoF, PSUs and Representatives of Companies.

The Trade Representation of the Russian Federation in the Republic of India has forward the Verbal Note signed by Mr. Alexander Orlov, Director of the Department of the Chemical-Technological Complex and Bioengineering Technologies, Ministry of Industry and Trade of the Russian Federation with the requests to consider the proposals of the Russian side and inform about the position of the Indian side. Same is under consideration and being persuade.

Chapter – 4

Availability & Movement of Major Fertilizers during 2020 (upto Nov. 2020)

4.1 The requirement/ demand for fertilizers for Kharif and Rabi season is assessed in bi-annual Zonal Conferences held by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) with the representatives of fertilizer companies, Fertilizer Association of India, Ministry of Railways, State Governments, Department of Fertilizers and other concerned agencies. The projected requirement is communicated to DoF. Every month Movement Division prepares agreed supply plan in consultation with manufacturers and importers to meet the demand of fertilizers projected by DAC&FW. State-wise availability of fertilizers as per supply plan is made and monitored upto State level by the Department of Fertilizers, the concerned State Governments are responsible for monitoring the availability intra-state.

4.2 Urea

4.2.1 The availability of urea remained satisfactory throughout the seasons of Kharif 2020 and Rabi 2020-21(uptoNov.20).

4.2.2. Kharif 2020: The assessed requirement of Urea for Kharif 2020 was **167.65** (without reserve allocation). The season started with an opening stock of **58.34** LMT (as on 01.04.2020) 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 **221.16** LMT during Kharif 2020. The DBT sales were **177.85** LMT during Kharif 2020

4.2.3 Rabi 2020-21 (uptoNov.'20): The assessed requirement of Urea for Rabi 2020-21 (uptoNov.'20) was **77.59**LMT and for the complete season of Rabi 2020-21 is **183.00** LMT without reserve allocation). The season started with an opening stock of **43.37**LMT (as on 01.10.2020 with states. Efficient movement and timely import of Urea helped in ensuring adequate availability in all the Sates throughout the season. The overall availability of urea was **115.79** LMT. The sales were **46.10** LMT during Rabi 2020-21(uptoNov.'20).

4.3 DAP

4.3.1 The availability of DAP remained satisfactory throughout the seasons of Kharif 2020 and Rabi 2020-21 (upto Nov.'20).

4.3.2 Kharif 2020: The assessed requirement of DAP for Kharif 2020 was **51.60** LMT. The season started with an opening stock of **35.74** 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 **96.47**. The DBT sales were **53.99** LMT during Kharif 2020.

4.3.3 Rabi 2020-21 (upto Nov.'20): The assessed requirement of DAP for Rabi 2020-21 (uptoNov.'20) was **31.61** LMT and for the complete season of Rabi 2019-20is **56.15** LMT. The season started with an opening stock of **42.48** LMT (as on 01.10.2020) 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 **64.28** LMT. The DBT sales were only **35.24** LMT during Rabi 2020-21 (uptoNov.'20).

4.4 NPK

4.4.1 The availability of NPK remained satisfactory throughout the seasons of Kharif 2020 and Rabi 2020-21 (uptoNov.'20).

4.4.2 Kharif 2020: The assessed requirement of NPK for Kharif 2020 was **52.95** LMT. The season started with an opening stock of **39.52** LMT (as on 01.04.2020) with states. Efficient movement and timely import of NPK helped in ensuring adequate availability in all the Sates throughout the season. The overall availability of NPK was **96.20** LMT with the States. The DBT sales were **65.00** LMT during Kharif 2020.

4.4.3 Rabi 2020-21 (uptoNov.'20): The assessed requirement of NPK for Rabi 2020-21 (uptoNov.'20) was **22.04** LMT and for the complete season of Rabi 2020-21is **55.05** LMT. The season started with an opening stock of **31.23** LMT (as on 01.10.2020) with states. Efficient movement and timely import of NPK helped in ensuring adequate availability in all the Sates throughout the season. The overall availability of NPK with the States was **52.86** LMT. The DBT Sales were only **18.49**LMT during Rabi 2020-21(upto Nov.'20).

4.5 MOP

4.5.1 The availability of MOP remained satisfactory throughout the seasons of Kharif 2020 and Rabi 2020-21 (uptoNov.'20).

4.5.2 Kharif 2020: The assessed requirement of MOP for Kharif 2020 was **20.22** LMT. The season started with an opening stock of **11.5 7**LMT (as on 01.04.2020) with states. Efficient movement and timely import of MOP helped in ensuring adequate availability in all the Sates throughout the season. The overall availability of MOP was **30.06** LMT with the States. The DBT Sales were only **16.15** LMT during Kharif 2020.

4.5.3 Rabi 2020-21 (uptoNov.'20): The assessed requirement of MOP for Rabi 2020-21(uptoNov.'20) was **6.57** LMT and for the complete season of Rabi 2020-21 is **15.29** LMT. The season started with an opening stock of **13.92** LMT (as on 01.10.2020) 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 **20.82** LMT. The DBT sales were only **5.80** LMT during Rabi 2020-21(uptoNov'20)

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CHAPTER-5

FINANCIAL PERFORMANCE

5.1 Budget of Department

The Department of Fertilizers deals with disbursement of subsidy on Urea and Phosphatic and Potassic (P&K) complex fertilizers under Urea Subsidy Scheme and Nutrient Based Subsidy Policy, respectively. Apart from the Secretariat budget, the budget allocations for 2019-2020 vis-à-vis 2020-21 in respect of Urea Subsidy Scheme and Nutrient Based Subsidy Policy are as under:-

(Rs. in Crore)

Scheme	Budget Estimates for 2019-20	Budget Estimate for 2020-21
Secretariat Expenditure	38.94	35.94
NBS Policy		
Indigenous P&K	15906.00	14179.00
Imported P&K	10429.00	9296.00
City Compost	32.00	29.00
Total Allocation for NBS Policy	26367.00	23504.00
Urea Subsidy		
Indigenous Urea	43050.00	38375.00
Imported Urea	14049.00	12050.00
Direct Benefit Transfer Subsidy		
Office Expenses	1.00	1.00
Professional Services	9.00	9.00
Total Allocation for Urea Subsidy	57109.00	50435.00
Total Subsidy Allocation (Gross)	83476.00	73939.00
Recovery received from sale of Imported Urea	3480.00	2630.00
Total Subsidy Allocation (Net)	19996.00	71309.00

5.2 Internal & Extra Budgetary Resources (IEBR)

The Internal & Extra Budgetary Resources (IEBR) generated by five companies profit making fertilizer CPSEs for 2018-19 and 2019-20 i.e. Rashtriya Chemicals & Fertilizers Limited (RCF), FCI Aravali Gypsum & Minerals India Limited (FAGMIL), Projects & Development India Limited (PDIL), National Fertilizers Limited (NFL) and Brahmaputra Valley Fertilizer Corporation Limited are as under:-

(Rs. in crore)

Sl No.	Name of CPSE	Actual 2019-20	BE 2020-21	RE2020-21
1	FAGMIL	0.05	44.48	4.26
2	PDIL	2.54	4.51	--
3	BVFCL	93.00	10.00	74.74
4	NFL	861.77	302.88	271.11
5	RCF	467.56	190.02	218.43

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CHAPTER- 6

MEASURES OF SUPPORT FOR FERTILIZERS

6.1 The objective of the Government policy is to maximize indigenous production of nitrogenous fertilizers based on utilization of indigenous feedstock to reach self-sufficiency in urea production to ensure easy availability of fertilizers to the farmers at affordable prices and to promote balanced nutrient application which is essential for the sustained agricultural growth. As on 15th December 2020 there are 32 domestic urea manufacturing units in the country with a total re-assessed capacity of 232.94 Lakh Metric Tonne per Annum (LMTPA). Out of these, 31 urea units are using natural gas as feed stock and 1 urea unit are using naphtha as feed stock. The details of urea manufacturing units along with feed stock used and re-assessed capacity are placed at **Annexure – VIII**.

6.2 Payment of subsidy

6.2.1 The urea is sold at a Maximum Retail Price (MRP) statutorily fixed by the Government of India. The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. The components of subsidy are as follows:-

- (i) Variable cost which includes:
 - (a) Cost of energy viz. Natural Gas, RLNG, Naphtha
 - (b) Cost on non-plant use of power and water
 - (c) Cost of bags

- (ii) Conversion cost or fixed cost:
 - (a) Salary and wages,
 - (b) Cost of contract labour
 - (c) Cost of consumables like catalyst, chemicals and other consumables
 - (d) Administrative overheads.
 - (e) Factory overheads, insurance etc.

Concession rate (Normative Cost of production) of the urea manufacturing units are calculated as per policy provisions of the following notifications

- a) **New Pricing Scheme (NPS)-III and Modified NPS – III (Annexure-IX & X):** For the determination of compensation on following components:
 - i. Fixed cost of all the urea units
 - ii. Variable costs (except fuel and feedstock costs of units).
 - iii. Fuel and feedstock costs of two urea units viz. BVFCL-Namrup-II & III

Note: Modified NPS-III was notified on 2nd April, 2014. However, due to ambiguous language of the notification, it could not be implemented. The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 13th March 2020 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. Department of Fertilizers vide Notification dated 30th March, 2020 (Annexure-6) has notified the decision of CCEA regarding removal of ambiguities in the Modified New Pricing Scheme -III (NPS-III) for determination of fixed costs for the urea units. This will facilitate smooth implementation of the MNPS-III which will result in grant of Additional Fixed Cost of Rs.350/MT to 30 urea manufacturing units. The approval will also grant the special compensation of Rs. 150/MT to urea units which are more than 30 years old and converted to gas which will incentivize these units to remain viable for sustained production. The implementation of the Modified NPS-III will result in gains to existing urea units to the extent of their actual increase in fixed cost with ceilings as mentioned in the proposal which will ensure that no unit is benefited unduly. This decision will facilitate the continued operations of the urea units resulting in sustained and regular supply of urea to the farmers. The measures will ensure maximum domestic production of urea and reduce will reduce import dependency.

b) New Urea Policy (NUP)– 2015 (Annexure-XI):NUP-2015 was notified on 25.5.2015 & Made Effective from 1.6.2015. It determines following components:

- i. fuel and feedstock cost of 25 gas based urea units
- ii. Concession rate for the production of Urea beyond their respective Re-assessed Capacity (RAC) by the said 25 urea units.
- iii. Target Energy Norms (TEN) for the said urea units for the Financial Year 2018-19.

c) Notification dated 17th June, 2015 for the units using naphtha as feedstock (Annexure-XII)–By the provisions of this notification following are determined while calculating the concession rate:

- i. Fuel and feedstock costs of 3 urea units viz. MFL- Manali, SPIC- Tuticorin and MCFL-Mangalore which are using naphtha as feedstock.
- ii. Target Energy Norms for these units for 2018-19.

d) Notification dated 28.03.2018 regarding revision of energy norms under NUP-2015 (Annexure-XIII):

- i. TEN prescribed under NUP-2015 was enforced on 11 urea units w.e.f. 1.4.2018.
- ii. TEN for remaining 14 NUP units and 3 naphtha units extended for two years till 2020 with certain penalties.
- iii. The three Naptha based urea units vix., MFL, MCFL, SPIC allowed the existing energy norms under Para (2) of policy notification dated 17th June, 2015 for another two years i.e. 31st March, 2020 or till these units get the gas pipeline connectivity, whichever is earlier.

Note:After getting the gas pipeline connectivity, MFL-Manali and MCFL-Mangalore have started their production on natural gas feedstock sine 29th July, 2019 and 12th December, 2020 respectively. Therefore, as on date only one unit namely SPIC-Tuticorin is naphtha based.

(e) **Notification dated 7th July 2020 (Annexure-XIV):** The existing energy norms of NUP-2015 for the remaining 14 gas based units (on which TEN could not be enforced w.e.f. 1.4.2018) were further extended till 30.9.2020 with enhanced penalty. Thereafter, the target energy norms of NUP-2015 have been enforced on these urea units from 1st October, 2020.

(f) **New Investment Policy (NIP) – 2012(Annexure-XV):** This notification contains provisions to determine concession rate of the new urea units set up under the NIP-2012. As on date one NIP-2012 urea unit namely CFCL-Gadepan-III is operational. Matix Fertilisers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal. The production of Matix started on 1st October, 2017. However, presently it is not operational due to non-availability of CBM/Natural Gas. MATIX have signed Gas Sale & Purchase agreement with GAIL for supplying 1.5 mmscmd RLNG to its Urea Plant.

6.2.2. In addition to the notifications mentioned in para 2 above, Department of Fertilizers with the approval of competent authority has also notified following important decisions:

- a) Introduction of 45 Kg bag of urea vide notification dated 4th September, 2017 (**Annexure-XVI**)
- b) Notification dated 28th March 2018 regarding revised Dealer/Distribution Margin (**Annexure-XVII**)
- c) Notification dated 25th May 2015 regarding 100% Neem Coating of indigenously produced Urea and imported urea (**Annexure-XVIII**).
- d) Notification dated 17th July 2008 regarding Policy for uniform freight subsidy on all fertilizers under fertilizer subsidy regime (**Annexure-XIX**).

6.3.1 IMPLEMENTATION OF DBT IN FERTILIZER SUBSIDY

6.3.2 Introduction:

The Government has introduced Direct Benefit Transfer (DBT) system in Fertilizers w.e.f. October 2016. Under the fertilizer DBT system, 100% subsidy on various fertilizer grades is released to the fertilizer companies on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized fertilizers to farmers/buyers is made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries are identified through Aadhaar Card, KCC, Voter Identity Card etc.

6.3.3 Pilot DBT:

The Pilot project has been implemented in 17 pilot districts.

6.3.4 Pan India Roll Out of DBT:

Different States/U.T.s have been put on Go-Live mode w.e.f. 01.09.2017 and the Pan-India Roll out has been completed by March, 2018.

6.3.5 DBT PMU:

A Project Monitoring Cell has been set up at Dept. of Fertilizers to oversee implementation of DBT exclusively. 24 State Coordinators have been appointed across all States to monitor the on-going DBT activities.

6.3.6 Pos Deployment & Training of Retailers:

Implementation of the DBT in Fertilizer Scheme required deployment of PoS devices at every retailer shop and training of retailers for operating PoS device.

- Across the country, Lead Fertilizer Supplier (LFS) have conducted **10878** training sessions till date.
- **2.26 Lakh** PoS devices have been deployed across all States.
- A total of **1182.04 Lakh Metric Tons** Fertilizers have been sold through PoS devices under DBT Scheme till December 2019.

6.3.7 Evaluation of DBT in Fertilizers:

- NITI Aayog has conducted Four extensive evaluations through an independent agency M/s Microsave in the DBT pilot districts. The highlights of the study are as under:
- Implementation of DBT System has streamlined the Fertilizer distribution. Retailers and farmers in all districts reported "Nil shortage" of urea owing to neem coating.
- There is improved tracking through mFMS Id i.e. Fertiliser companies have onboarded untraceable retailers and co-operative depots on mFMS system to avoid delay in subsidy payments.
- Overcharging by retailers has reduced as each fertilizer purchase by farmers is supported by a receipt generated through PoS machines indicating both MRP paid by the farmers and the subsidy component paid by the Government on the quantity of fertilizer purchased by the farmers.

- Cross border sale has also reduced e.g. across border to Nepal and Bangladesh from Kishanganj.
- Preference for *Aadhaar* based system is increasing among farmers.
- Initiatives such as reducing the size of urea bag and increased retailer margin seems to have positive impact.
- 76.5% Farmers are aware that urea comes with neem extract coating.
- 94.9% Farmers perceive that neem coated urea is beneficial for crops.
- Farmers prefer DBT in Fertilizer because it Tracks actual buyer, reduces black marketing and diversion, reduces overcharging by retailers and induces awareness about quantity and price of fertilizer.
- Based on the positive feedback received through M/s Microsave studies, the deployment of PoS devices was extended to all the States/UTs across the country.

6.3.8 Subsidy Payment under DBT Framework

- The DBT system entails 100% payment of subsidy to the fertilizer manufacturing companies on the basis of actual sales by the retailer to the beneficiary.
- The farmer or buyer's identity is authenticated either through biometric, Aadhaar based, Unique Identification Number or Voter ID Card or Kisan Credit Card.
- Aadhar based biometric authentication is linked to Soil Health Card of the farmer.
- This would enable recommendation of appropriate mix of fertilizers compatible to the soil health profile of the agricultural land held by the beneficiary.
- However, the recommendation is not binding on the beneficiary and the sale of fertilizers would initially be on a "no denial mode".
- The sales to the beneficiary are captured through the Point of Sale(PoS) machines installed at the retailer's end. All the Fertilizer sale transactions are captured online in the Integrated Fertilizer Management System (iFMS) system on real time basis.
- The claims are processed on a weekly basis and the amount of subsidy is being remitted to the company's bank account through electronic mode.

6.3.9 Benefits of DBT:

- Creation of Aadhaar seeded data base of beneficiaries
- Transaction visibility at the end point/retail point.
- Transparent and faster tracking of movement of fertilizers along the value chain i.e. from manufacturers to beneficiaries.
- Minimise diversion of fertilizers.
- Optimal use of nutrients due to linking Soil Health Card with DBT.

➤ Immediate benefits to the farmer:

- Ready and timely availability of fertilizers at retail point.
- Sale of fertilizers through PoS devices at subsidized rates.

- Receipt is generated through PoS device after every sale displaying the rate of fertilizers.
 - No likelihood of over pricing or over charging.
 - Sale receipt indicates the subsidy borne by the Government on behalf of the farmer for the fertilizers purchased.
- **Monitoring & Surveillance:** DoF and the State Governments can closely monitor the following activities across the country through Integrated Fertilizer Management System (iFMS) and the data captured through PoS devices:
- Availability of fertilizers to farmers across various States/UTs
 - Sale of fertilizers to farmers at various retail points.
 - The quantity and the rate at which the fertilizers are being sold to farmers.
- **Indirect Benefits:**
- Putting up a PoS device at 2.26 lakh retailers will create a channel which will provide Unlimited Opportunities for the Government to reach Rural India. This can become service delivery channel to other ministries.
 - Digitizing transactions will create purchase history of farmers, which can be used by Financial Institutions to provide credit to farmers based on transaction history at Fertilizer outlets.

6.3.10 Challenges faced in implementation at field level

- Aadhar enrolment of all beneficiaries
- Preparation of Soil Health Cards/General Soil profile of district
- Aadhaar seeding of Land records and Soil Health Cards
- Network Connectivity at each sale point especially in remote areas.
- Improving the IT infrastructure/imparting training to retailers.
- Monitoring and regulating the functioning of retailers at district level and enforcing retailer accountability.

6.3.11 Various challenges of DBT have been addressed as under:

a. How to address network connectivity issues.

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

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

b. How to address peak season sales:

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

c. Grievance Redressal mechanism

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

6.3.12 Study Visits by Foreign Delegations:

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

- The Central Bank of Nigeria team visited Mumbai on 24th May, 2018.
- The delegations from Tanzania visited Sonapat, Haryana on 1st July 2018.
- A team from United Nations consisting representatives from 8 countries visited Panipat, Haryana on 29th November, 2018.

6.3.13 Implementation of DBT in 2 phases:

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

6.3.14 Launch of DBT 2.0 initiatives:

Hon'ble Minister of Chemicals and Fertilizers, Sh. Sadanand Gowda in presence of Hon'ble Minister of State, Sh. Mansukh Mandaviya launched DBT 2.0 initiatives on 10th July, 2019. With the DBT system functioning satisfactorily over the last one year, the Department has been continuously making efforts to improve the system based on

the feedback received from various stakeholders. Some of the new initiatives of DBT 2.0 are as under:

a) DBT Dashboards.

- In order to provide accurate information about the position of supply/availability/requirement of various fertilizers at National, State and District levels, the DOF has developed various dash-boards. These dash-boards provide various reports, viz.,
 - (i) Fertilizer Stock position (overall and production):
 - ✓ at Ports
 - ✓ at Plants
 - ✓ in States
 - ✓ at District levels
 - (ii) Proportionate requirement for the season and availability of stocks at various levels
 - (iii) Top 20 buyers
 - (iv) Frequent buyers
 - (v) Retailers not selling fertilizers
- DBT dash-boards can be accessed by general public by clicking the e-urvarak website of DOF (www.urvarak.nic.in).

This is a new milestone in the Fertilizer Sector and the reports will help in assessing the overall demand and supply, facilitate day to day decision making and take necessary corrective measures in streamlining the Fertilizer consumption vis-a-vis the demand. The reports will also facilitate real-time monitoring of the availability and sale of fertilizers within the State.

b) PoS 3.0 Software:

Under DBT, the fertilizer are sold through the PoS devices installed at retail points across the country. Till now 14 versions of PoS software has been released in the process of improving the PoS operations, latest being PoS 3.0 version with new added features as under:

- New system will provide Aadhaar virtual ID option during use, for registration, login and sale activity in DBT Software
- It captures Sale to farmers, Mixture manufacturers, Planter association separately.
- It has Multi-lingual facility
- It has Provision for Soil Health Card (SHC) recommendation: area-specific, crop-specific recommendations.

c) Desktop PoS Version:

As a part of ongoing implementation of DBT, the department has installed PoS devices at 2.26 lakh retail points across the country. Keeping in view the various

operational challenges viz. limited PoS vendors, rush of sales due to peak season etc. the department developed a desktop version of PoS software as an alternative or added facility to PoS devices. Retailers with Laptops and Computer systems can use high speed broadband service for fertilizer sales. The Desktop software is more robust and secure as the application is developed and handled directly from the central HQ team at D/o Fertilizers.

(i) The new features of Desktop version of PoS software are as follows:

- Retailer registration with same iFMS login ID, PIN and Aadhaar number.
- New system will provide Aadhaar virtual ID option during use, for registration, login and sale activity in DBT Software
- Captures Sale to farmers, Mixture manufacturers, Planter association separately.
- Multi-lingual facility
- Provision for Soil Health Card (SHC) recommendation: area-specific, crop-specific recommendations.

(ii) The Advantages of Desktop version of PoS software are as under:

- Alternative or added facility to PoS devices.
- Reduces the dependency on PoS devices & limited vendors.
- Retailers with Laptops and Computer systems can use high speed broadband service to make Fertilizer sale.
- Easy to operate, bigger screen compared to small screen of PoS.
- Multilingual facility.
- Sale receipts will be multilingual.
- More Secure: Single point development control with DoF.
- Can serve as additional device for handling peak season sales.

The desktop version will facilitate easy handling of fertilizer business at retailer points.

6.3.15 Launch of PoS Software 3.1

Hon'ble Minister of Chemicals and Fertilizers, Sh. Sadanand Gowda in presence of Hon'ble Minister of State, Sh. Mansukh Mandaviya launched PoS Software 3.1 version on 30th Sept 2020

In 3.1 Version, in addition to existing biometric authentication, contactless OTP based authentication has been introduced keeping in view prevailing Covid-19 Pandemic. Android based Mobile Application and Desktop App have been developed. Any Biometric device and Bluetooth Printer can be used with Android version.

6.3.16 SMS Gateway

The provision has been made in 3.1 version for sending SMS alerts on the following activities:-

- I. On every transaction through PoS/Desktop and Android Application for purchase of Fertilizers, buyer will also receive the Invoice detail by SMS on the number provided at the time of purchase.
- II. SMS Alert to the Farmers as and when new stock is received/acknowledged by the retailer about total stock availability at the retail outlet from where the farmer purchased fertilizer last time.
- III. Periodic (fortnightly in season & monthly in off-season) SMS to the farmers about for stock availability at the retail outlet from where the farmer purchased fertilizer last time

6.3.17 Accolades & Awards

During the Year DBT in Fertilizers received **SKOCH Awards 2019 (Gold)** in Governance category and **Governance Digital Transformation Awards 2019** for End to End Digital Services (G2C).

SPECTRUM OF DBT ACTIVITIES DURING 2020-21



Launch of DBT PoS Verion 3.0, SMS Services to farmers and Home Delivery of Fertilizers in AP by Hon'ble MoCF



The launch of DBT 2.0 initiatives.



Received E-Governance Award 2019



Received SKOCH Award 2019

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

6.4 Background:

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

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

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

6.4.5 On the recommendation of the Maratha Committee, the Government had introduced Retention Price Scheme (RPS) for nitrogenous fertilizers in November 1977. Subsequently, this was extended to phosphatic and other complex fertilizers from February 1979 and to Single Super Phosphate from May 1982, which continued up to 1991. Later on, subsidy was also extended to imported phosphatic and potassic fertilizers.

6.4.6 In early 1990s, the country was facing mounting fiscal deficit and there was a threat of foreign exchange crisis. In order to overcome the situation the Government announced an increase of 40% in the price of fertilizers in July, 1991. Some of the fertilizers which were under the subsidy scheme were decontrolled. Subsequently, apprehending low consumption of fertilizer due to high prices and consequently low agriculture productivity, Government rolled back 10% of increase in urea price.

6.4.7 In December 1991, the Government set up a Joint Parliamentary Committee (JPC) on Fertilizer Pricing to review the existing methods of computation of retention prices for different manufactures of fertilizers and to suggest measures for reducing fertilizers prices without straining the exchequer. The JPC submitted its report on 20th August 1992. The main conclusions and recommendations of the Committee were that the rise in subsidy was mainly due to increase in the cost of imported fertilizer, de-valuation of rupee in July 1991 and the stagnant farm gate prices from 1980 to 1991. The Committee did not favour total decontrol of fertilizers but recommended decontrol of import based phosphatic and Potassic fertilizers along with a marginal 10% reduction in the consumer price of Urea.

6.4.8 Based on the recommendations of JPC, Government of India decontrolled all Phosphatic and Potassic (P&K) fertilizers namely DAP, MOP, NPK complex fertilizers and

SSP with effect from 25th August 1992 which were under RPS since 1977 whereas Urea remained under RPS.

6.4.9 Since subsidy was retained on the nitrogenous fertilizers (Urea) while phosphatic fertilizers were decontrolled, the prices of phosphatic fertilizers in the market became comparatively high. As a result, production and consumption of nitrogenous fertilizers increased and consumption of P&K fertilizers decreased. This led to severe imbalance in consumption of nitrogenous, phosphatic and Potassic fertilizers. Apprehending imbalance in fertilization of the soil, un-affordability of fertilizers due to increase in phosphatic and potassic fertilizer prices, the Government of India announced ad hoc concession for phosphatic and potassic fertilizers from Rabi 1992 to cushion the impact of price hike and to encourage balanced fertilization.

6.4.10 Initially, the ad-hoc Concession Scheme was applicable to DAP, MOP and NPK Complex fertilizers. This scheme was subsequently extended to SSP from 1993-94. Concession was disbursed to the manufacturers/importers by the State Governments during the period 1992-93 to 1993-94 based on the grants provided by Department of Agriculture & Cooperation.

6.5 Introduction of MRP:

6.5.1 In 1997-98, Department of Agriculture & Cooperation started indicating an all India uniform Maximum Retail Price (MRP) for DAP/NPK/MOP. The responsibility of indicating MRP in respect of SSP rested with the State Governments. The MRP of P&K fertilizers were revised on 28.2.2002, which continued upto 31.3.2010 in case of DAP and MOP. However, in case of complex fertilizers, the MRP was revised on 18.6.2008. The Special Freight Subsidy Reimbursement Scheme was also introduced in 1997 for supply of fertilizers in difficult areas of J&K and North-eastern States, which continued upto 31.3.2008. The total delivered cost of fertilizers being invariably higher than the MRP indicated by the Government, the difference in the delivered price of fertilizers at the farm gate and the MRP was compensated by the Government as subsidy to the manufacturers/importers.

6.5.2 The subsidy on SSP was paid by the Central Government whereas the MRP was fixed by the respective State Government till March 2008. For a period from May 2008 to September 2009, the MRP of the SSP was announced by DOF on all India basis. MRP of SSP was left open w.e.f. 1.10.2009 till 30.4.2010 and a fixed subsidy of Rs.2000 PMT was paid on SSP.

6.5.3 Subsidy on P&K fertilizers under Concession Scheme:

1. The computation of subsidy on P&K fertilizers was based on Cost Price Study on DAP and MOP conducted by Bureau of Industrial Costs and Prices (BICP) now called Tariff Commission (TC). The subsidy rates were decided on the cost plus approach on quarterly basis w.e.f. 1.4.1999. The total delivered cost of the fertilizers being invariably higher than MRP fixed by the Government, the difference between

delivered price of fertilizers at farm gate level and the MRP was compensated by Government in the form of subsidy.

2. The Government introduced a new methodology for working out subsidy on complex fertilizers w.e.f. 1.4.2002 based on the recommendation of TC. The complex manufacturers were divided into two groups based on feed stock for sourcing nitrogen i.e. Gas and Naphtha. With passage of time, DAP industry started using different raw materials such as Rock Phosphate for producing phosphoric acid. DOF framed a proposal suggesting methodology to link phosphoric acid price with international DAP price. The matter was referred to Expert Group under chairmanship of Prof. Abhijit Sen. The report of this Group was submitted in October 2005 and considered by Inter ministerial group. TC conducted fresh cost price study of DAP/MOP and NPK complexes and submitted its report in December 2007. Based on this TC report, the subsidy was calculated on monthly basis till 31.3.2010.

6.5.4 Impact of Concession Scheme:

1. The MRP of P&K fertilizers provided to farmers were much lower than its delivered cost. This led to increase in consumption of fertilizers during the last three decades and consequently increase in food grain production within the country. However, it was observed in last few years that the marginal response of agricultural productivity to additional fertilizer usage in the country had fallen sharply, leading to near stagnation in agricultural productivity and consequently agricultural production. The disproportionate NPK application, rising multi-nutrient deficiency and lack of application of organic manures leading to reduction in carbon content of the soil, was attributed to the stagnating agricultural productivity. The fertilizer sector worked in a highly regulated environment with cost of production and selling prices being determined by the Government of India, due to which fertilizer industry suffered from low profitability as compared to other sectors. The growth of fertilizers industry was stagnated with virtually no investments for the past 11 years in urea sector and for over eight years in P&K sector. The fertilizer industry had no incentive to invest towards modernization and improving efficiency.
2. Innovation in the fertilizer sector also suffered as very few new products were introduced by fertilizer companies, since they got outpriced by subsidized fertilizers. The industry had no incentive to focus on farmers leading to poor farm extension services, which was necessary to educate farmers about the modern fertilizer application techniques, soil health and promotion of soil test based application of soil and crop specific fertilizers.
3. The subsidy outgo of Government had increased exponentially by 500% during between 2005-06 to 2009-10 under the Concession Scheme with about 94% of the increase due to increase in international prices of fertilizers and fertilizer inputs, and only 6% attributable to increase in consumption.
4. It was, thus, observed that the product based subsidy regime (erstwhile concession

scheme) was proving to be a losing proposition for all the stake holders viz farmers, industry and the Government. Considering all the issues relating to agriculture productivity, balanced fertilization and growth of indigenous fertilizer industry, competitiveness amongst the fertilizer companies and to overcome the deficiency of concession scheme, the Government introduced Nutrient Based Subsidy (NBS) Policy for P&K fertilizers w.e.f 1.4.2010.

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

1. Under the NBS Policy, the Government announces a fixed rate of subsidy (in Rs. per Kg basis), on each nutrient of subsidized P&K fertilizers, namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S), on annual basis taking into account all relevant factors including international prices, exchange rate, inventory level and prevailing Maximum Retail Prices of P&K fertilizers. The per Kg subsidy rates on the nutrients N, P, K, S is converted into per Tonne subsidy on the various subsidized P&K fertilizers covered under NBS Policy.
2. At present 21 grades of P&K fertilizers namely DAP, MAP, TSP, MOP, Ammonium Sulphate (produced by M/s FACT and GSFC), SSP and 15 grades of NPKS complex fertilizers are covered under the NBS Policy.
3. Under the Policy, MRP of P&K fertilizers has been left open and fertilizer manufacturers/marketers are allowed to fix the MRP at reasonable rates. In effect, the domestic prices are determined by demand supply mechanism.
4. Under the policy, any variant of the subsidized P&K fertilizers with secondary and micronutrients (except Sulphur 'S'), as provided for under FCO, is also eligible for subsidy. There is separate additional subsidy for micronutrients namely Boron and Zinc. The secondary and micro-nutrients (except 'S') in such fertilizers attracts a separate per tonne subsidy to encourage their application along with primary nutrients.
5. An Inter-Ministerial Committee (IMC) has been constituted with Secretary (Fertilizers) as Chairperson and Joint Secretary level representatives of Department of Agriculture & Cooperation (DAC), Department of Expenditure (DOE), Planning Commission and Department of Agricultural Research and Education (DARE). This Committee recommends per nutrient subsidy for 'N', 'P', 'K' and 'S' before the start of the financial year for decision by the Government (Department of Fertilizers). The IMC recommends a per tonne additional subsidy on fortified subsidized fertilizers carrying secondary (other than 'S') and micro- nutrients. The Committee also recommends inclusion of new fertilizers under the subsidy regime based on application of manufacturers/ importers and its need appraisal by the Indian Council for Agricultural Research (ICAR), for decision by the Government.
6. The distribution and movement of fertilizers along with import of finished fertilizers, fertilizer inputs and production by indigenous units is monitored through

the online web based “Fertilizer Monitoring System (FMS)” as was being done under the Concession Scheme for P&K fertilizers.

7. 20% of the decontrolled fertilizers produced/imported in India has been placed in the movement control under the Essential Commodities Act 1955 (ECA). Department of Fertilizers regulates the movement of these fertilizers to bridge the supplies in underserved areas.
8. In addition to NBS, freight for the movement and distribution of the decontrolled fertilizers by rail, road and coastal shipping/inland waterways is being provided to enable wider availability of fertilizers even in the remotest places in the country.
9. Import of all the subsidized P&K fertilizers, including complex fertilizers has been placed under Open General License (OGL). NBS is available for imported complex fertilizers also except Ammonium Sulphate. However, in case of Ammonium Sulphate (AS) the NBS is applicable only to domestic production by M/s FACT.
10. Though the market price of subsidized fertilizers, except Urea, is determined based on demand-supply dynamics, the fertilizer companies are required to print Retail Price (RP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed MRP is punishable under the EC Act.
11. A separate additional subsidy is also provided to the indigenous manufacturers producing complex fertilizers using Naphtha based captive Ammonia to compensate for the higher cost of production of ‘N’ for a maximum period of two years during which the units are required to convert to gas or use imported Ammonia as feedstock. The quantum of additional subsidy is finalized by Department of Fertilizers in consultation with DOE, based on study and recommendations by the Tariff Commission.
12. The NBS is passed on to the farmers through the fertilizer industry. The payment of NBS to the manufacturers/importers of P&K fertilizers is released as per the procedure notified by the Department.

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

Based on the recommendations of the Inter Ministerial Committee, the Government has announced the per Kg rates of NBS for the nutrients namely 'N', 'P', 'K' & 'S' from the financial years 2010-2011 to 2020-21 as under:

NBS rates (Rs. per Kg)												
Nutrients	1 st Apr - 31 st Dec 2010 *	1 st Jan- 31 st Mar 2011**	2011- 12	2012- 13	2013- 14	2014- 15	2015 -16	2016- 17	2017- 18	2018- 19	2019 -20 [@]	2020 -21
'N' (Nitrogen)	23.227	23.227	27.153	24.000	20.875	20.875	20.8 75	15.854	18.989	18.901	18.9 01	18.7 89
'P' (Phosphate)	26.276	25.624	32.338	21.804	18.679	18.679	18.6 79	13.241	11.997	15.216	15.2 16	14.8 88
'K' (Potash)	24.487	23.987	26.756	24.000	18.833	15.500	15.5 00	15.470	12.395	11.124	11.1 24	10.1 16
'S' (Sulphur)	1.784	1.784	1.677	1.677	1.677	1.677	1.67 7	2.044	2.240	2.722	3.56 2	2.37 4

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

** Excluding the secondary freight of Rs 300 PMT.

@ The NBS rates of 2018-19 were continued from 01.04.2019 upto the date of notification of NBS rates for 2019-20. The NBS rates for 2019-20 were notified on 7th August, 2019 and came into effect from 07.08.2019.

The Per MT subsidy on different grade of P&K fertilizers covered under the NBS Policy from the financial years 2010-11 to 202-21 is given in the **Annexure-XX**.

6.5.7 Subsidy for fortified fertilizers:

As per the NBS Policy a fixed Subsidy is also provided on fortified fertilizers with micro-nutrients namely Boron and Zinc. The rates of subsidy from the years, 2010-11 to 2020-21 are as under:

SI. No.	Nutrients for fortification as per FCO	Additional subsidy per MT of fortified fertilizers (in Rs. PMT)
1.	Boron 'B'	300
2.	Zinc 'Zn'	500

6.5.8 Additional subsidy on complex fertilizers produced using costly feedstock

As per NBS Policy, additional compensation has been provided to indigenous manufacturers producing complex fertilizers using Naphtha/Fuel Oil/LSHS as feedstock to compensate for their higher cost of production of 'N' for two years w.e.f. 1.4.2010 to 31.3.2012, during which the companies were asked to convert their feedstock to gas or use imported Ammonia. As per this FACT, MFL, and GNFC received additional compensation. Beyond 31.3.2012 the Government has approved additional compensation only to FACT upto 4.10.2013. The rates of additional compensation provided to these units were as under:

Name of the company	Grades of Fertilizers	Rates (Rs/MT) of additional compensation (Provisional)
FACT(Cochin)	20-20-0-13	3121
	20.6-0-0-13	3658
MFL, Manali	20-20-0-13	5434
	17-17-17-0	4640
GNFC, Bharuch	20-20-0-0	2534

The above ad-hoc additional compensation was announced on provisional basis subject to final recommendation of Tariff Commission. The final recommendation of the Tariff Commission has been submitted. The final fixation of the ad-hoc additional Compensation for the mentioned fertilizer companies is under consideration at present.

6.5.9 Freight subsidy Policy

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

W.e.f. 1.1.2011 to 31.3.2012, freight on account of Primary Movement (by rail from the plant or the port to various rake points) and Secondary Movement (by road from nearest rake points to the block headquarters in the Districts) of all P&K fertilizers (except SSP) was reimbursed as per the Uniform Freight Subsidy policy applicable to urea during the period. Freight subsidy for Direct Road Movement (by road from plant or port to blocks) of all P&K fertilizers (except SSP) was reimbursed as per actual claim subject to the equivalent rail freight upto a maximum of 500 Kms. The rates for reimbursement of freight for direct road movement from 1.4.2010 to 31.3.2012 were as under:

Movement(K.M.)	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 fertilizes (excluding SSP)

is reimbursed as per the actual claims subject to equivalent rail freight to be announced by DOF from time to time. However, the maximum allowable distance under the direct road movement shall be 500 KMs.

- (iv) Special compensation on account of Secondary movement for all P&K fertilizers (except SSP) is provided for difficult areas namely Himachal Pradesh, Uttarakhand, Sikkim, J&K, 7 North Eastern states and A&N Islands.
- (v) Movement of fertilizers is also allowed through Coastal Shipping/Inland waterways alongwith the Road movement that follow the Coastal movement/Inland water movement upto the rake point in the destination district to make it qualify for reimbursement of freight subsidy under the Primary movement.

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

1. The country is fully dependent on imports in Potassic sector and to the extent of 90% in Phosphatic sector in the form of either finished products or its raw material. Subsidy being fixed, any fluctuation in international prices has effect on the domestic prices of P&K fertilizers.
2. Under NBS policy, companies are allowed to fix the MRP on their own. The intention behind introduction of NBS was to increase competition among the fertilizer companies to facilitate availability of diversified products in the market at reasonable prices. However, the prices of P&K fertilizers have gone up substantially and doubts have been raised about reasonableness of the prices fixed by the companies. The prices have gone up substantially on the account of increase in prices of raw materials / finished fertilizers in international market, depreciation of Indian rupee w.r.t US Dollar and also due perhaps to larger profit margins by the companies. This has lead 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, DOF, on the recommendation of IMC may exclude any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS scheme.

- iii. The reasonableness of MRP will be determined with reference to the MRP printed on the bags.

6.5.11 The Department of Fertilizers vide its O.M. dt. 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.

Subsidy outgo on P&K fertilizers during the previous years:

(in Rs. crore)

Year	Subsidy on P&K fertilizers	Subsidy Regime for P&K fertilizers
2005-06	6596.19	Concession Scheme
2006-07	10298.12	
2007-08	16933.80	
2008-09	65554.79	
2009-10	39452.06	
2010-11	41500.00	NBS regime
2011-12	36107.94	
2012-13	30576.10	
2013-14	29426.86	
2014-15	20667.30	
2015-16	21937.56	
2016-17	19000.01	
2017-18	22237.00	
2018-19	24080.35	
2019-20	26335.00	
2020-2021	23475.00	

6.1 Quality of Fertilizers:

1. Government of India has declared fertilizer as an essential commodity under the Essential Commodities Act, 1955 (ECA) and has notified Fertilizer Control Order, 1985 (FCO) under this Act. As per the provision of the FCO, the fertilizers, which meet the standard of quality laid down in the order, should only be sold to the farmers. The State Governments are supposed to check the quality of the fertilizers to ensure supply of quality fertilizers by the manufacturers/importers of fertilizers as prescribed under the FCO and are fully empowered to take action under EC Act, if the fertilizers are found to be non/sub standard.

- The quality of the imported fertilizers is checked by the fertilizer quality control

laboratories of the Government of India. It can only be sold if it conforms to quality as per FCO specification.

- The penal provision under the ECA, 1955 for violation of quality standards includes prosecution of offenders and sentence if convicted up to seven years imprisonment besides cancellation of authorization certificate and other administrative action. The Department of Fertilizers does not pay any subsidy on sale of non-standard fertilizers and in case it has been paid, a recovery along with penal interest is made. In order to ensure this, Department of Fertilizers obtains quality certificate of all fertilizers on which subsidy is paid.
- The Department of Fertilizers has taken various preventive measures to ensure quality of SSP which has always been an issue. Some of these measures are as under:
 - To conduct first time technical inspections by PDIL/FEDO of the then existing SSP units/new units in order to ascertain the technical competence of the units to manufacture SSP of the standards laid down under the FCO.
 - To conduct six monthly inspections of the existing SSP units by PDIL/FEDO in order to ascertain as to whether the units are adhering to the policy guidelines of subsidy scheme for claiming payment of subsidy and to ensure quality.
 - To recommend and notify various grades of rock phosphate of various origins/countries suitable for manufacturing SSP under the concession scheme as per the FCO after obtaining recommendation from PDIL/FEDO. SSP units are allowed to use only notified rock phosphates.
 - The Government also checks the quality of imported Rock Phosphate through PDIL/FEDO in some cases to ensure the quality of SSP.
 - The Department conducts periodic inspection of SSP unit through PDIL and FEDO.

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Public Sector Undertakings

7.1 Brahmaputra Valley Fertilizer Corporation Limited (BVFCL)

1. Brief overview of the organisation:

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) was incorporated on 5th April 2002 after de-merger of the Namrup unit of Assam from Hindustan Fertilizer Corporation Ltd. It has two operating Ammonia-Urea Units namely Namrup-II and Namrup-III which were originally commissioned in 1976 and 1987 respectively. Its Corporate & Registered Offices are also located at Namrup.

The authorize share capital and paid up capital of the company as on 31.03.2020 were Rs.510 Crores and Rs.365.83 Crores respectively.

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.

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

(i) Physical Performance (against capacity):

Production	Installed Capacity (MTPA)	2019-20 (Previous Year)		2020-21 (Current year)		
		Production (MT)	Capacity Utilisation (%)	Production up to Sept. 2020 (MT)	Projection for 2020-21(MT)	Projected Capacity Utilisation (%)
Urea* (Namrup-II)	240000	46087	19.20	2022	2022	0.84
Urea (Namrup-III)	270000	109905	40.71	70649	177978	65.92
Total	510000	155992	30.59	72671	18000	35.29

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

Marketing	Sales during 2019-20 (MT)	Sales up to Sept. 2020 (MT)	Sales Projection for 2020-21 (MT)
Urea (Total of Namrup-II&III)	160186	70282.44	180000

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

(ii) Financial performance

(Rs. Crore)

Parameter	For the year 2019-20	2020-21 up to Sept.'20 (Provisional)	2020-21 (Projected)
Turn Over	327.27	187.63	299.95
Profit before Tax (+/-)	(-) 129.70	(-) 91.29	(-) 110.67
Net Profit (+/-) (PAT)	(-) 129.70	(-) 91.29	(-) 110.67

4. Performance Highlights:

(I) Performance during Previous Year & Current Year

Urea Production in Namrup-II and Namrup-III in the year 2019-20 was 46,087 MT and 1,09,905 MT respectively compared to 57,712 MT and 2,28,603 MT respectively in 2018-19. The targeted Urea production in 2019-20 could not be achieved due to various unforeseen breakdowns in old, unreliable equipments and two successive major failures in Namrup-II.

Production performance of the Company during the last five years is given below:

(in MT)

FY Year	Urea		Bio-Fertilizers		Vermi Compost	
	Production	Sale	Production	Sale	Production	Sale
2015-16	322645	320606	17.96	16.56	71.01	99.73
2016-17	310605	297641	25.47	18.50	68.42	62.17
2017-18	269586	269972	35.75	42.01	91.37	87.19
2018-19	286315	286430	44.24	44.87	94.74	99.60
2019-20	155992	160186	38.53	29.60	83.86	64.73

Namrup-II plants suffered two major failures during the year 2019-20 on 17.05.2019 and 06.01.2020. In the first of the two such cases, the plant remained under shut down from 18.05.19 to 08.09.19 for about 113 days due to shearing-off of Process Gas outlet line of Synthesis Gas Boiler to BFW preheater and BFW preheater to hot exchanger. After the first failure the plant could be restarted after about four months. However, the plant continued to remain under Shut Down till date due to a 2nd failure on 06.01.2020 of Ammonia Synthesis Section caused by shearing off of a pipeline carrying high pressure Synthesis Mix Gas (SMG), going to Ammonia Synthesis Reactor inlet (Cold Shot). As per estimate, about Rs.25 crore will be required to resume the operation after completing the repair work. M/s PDIL has been assigned the job of deputation of Technical Experts to Study the Health of the Synthesis Section of Ammonia Plant, NDT of welding joints and pipelines wherever required. It was initially targeted to re-start the operation of the plants w.e.f. 01.01.2021. But, due to substantial increase of COVID-19 cases amongst the BVFCL employees and their family members as well as in neighboring residential areas and in Dibrugarh district as a whole from July onward, progress of the jobs as well as movement was slowed down. Further, due to restriction imposed by the State authorities in travelling and quarantine requirements, visit of PDIL Technical Team was delayed. A team of PDIL personnel visited the site from 21.09.2020 to 23.09.2020, for which special permission was obtained from the State Govt. due to COVID-19 restrictions and quarantine requirement. Namrup-II is expected to be under shutdown for the remaining period of FY 2020-21, though keen effort is being made to re-start the plants at the earliest and as per present estimate, Namrup-II plants will be re-started w.e.f. 01.08.2021.

Namrup-III plants: Plants remained under shutdown due to scheduled annual maintenance job from 12.04.19 to 28.05.19. Further, operation got interrupted due to repeated failure of urea reactor liner. Reactor repairing jobs was in progress and was near completion when the Janata Curfew on 22nd March 2020 and immediately followed by lockdown due to COVID-19 was announced on 24th March 2020. While Namrup-III unit was on the verge of restarting production after the maintenance jobs in Urea Reactor was almost completed, the process got delayed due to lockdown and curfew. Despite of Lockdown Namrup-III plant could be brought back in production phase on 22.04.2020 by mobilizing local available resources with minimum permissible manpower initially with 10% only, complying all safety standards; presently average about 600MT/day of Urea is being produced with restricted load. Replacement of Water Cooled Condenser and overhauling of Synthesis gas Compressor has caused load restriction, which was being planned to be done in next Annual Shutdown in June 2020 but could not be done due to difficulty in movement of skilled personnel from other states due to COVID-19 movement problem. Ultimately, the Annual Shutdown was taken w.e.f. 19.11.2020. Some of the major jobs undertaken during this ATA is as follows:

- (a) Replacement of Water Cooled Condenser in Ammonia Plant, to stop the ammonia leakage due to frequent lube leakage in the old Water Cooled Condenser and result in increase in Ammonia production.
- (b) Replacement of HT catalyst in Ammonia Plant resulting increase in efficiency of the plants.
- (c) Thorough checking of all the rotating equipments including Synthesis Gas Compressor by expert agency. Due to underperformance of Synthesis Gas Compressor, ammonia production was restricted and improvement in ammonia production will be achieved after the rectification of the problem in this Compressor.
- (d) Cleaning of various Heat Exchanger tubes to increase efficiency.
- (e) Nondestructive testing of various process pipelines

Trading Activities:

The company is continuing the trading activities i.e. Sale of MOP, SSP, DAP, Urea, Rock Phosphate, City Compost etc. to help the farmers so that all Agri Inputs are available under one roof (Single Window Concept). During the year 2019-20, the following trading activities were done:

Sl. No.	Item / Suppliers' Name	Quantity (MT)	Value including GST (Rs.)
1	Urea - M/s National Fertilizer Ltd	43148.07	239826796
2	DAP - M/s National Fertilizer Ltd	1212.20	27916962
3	MoP - M/s Indian Potash Ltd	5306.20	90258462
4	MoP - M/s Paradeep Phosphates Ltd	3370.00	58638005
5	Rock Phosphate - M/s Hanusita& Sons	2535.00	17020001
6	SSP - M/s Khaitan Chemical & Fertilizer Ltd	2647.35	21706814
7	SSP - M/s Progressive Fertichem Pvt Ltd	7585.00	59430953
8	City Compost	565.00	2884322
Total		66368.82	517682316

The projected details of trading to be achieved after next five years i.e. in FY 2024-25 is given below:

Sl. No.	Traded item	Quantity (MT)	Value including GST (Rs. Cr)
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1	Urea	50,000	28.00
2	DAP	3,000	7.00
3	MoP	15,000	27.00
4	Rock Phosphate	7,500	5.00
5	SSP	15,000	12.00
8	City Compost	2,000	1.00
Total		92,500	80.00

In order to ensure timely supply of various Agri-Inputs, during the financial year 2019-20, BVFCL has signed MOUs with following organizations:

- (i) M/s National Fertilizers Ltd - Imported Urea & DAP
- (ii) M/s Paradeep Phosphates Ltd - MOP
- (iii) M/s Indian Potash Ltd - MOP
- (iv) M/s Khaitan Chemical & Fertilizer Ltd - Single Super Phosphate
- (v) M/s Progressive Fertichem Pvt Ltd - Single Super Phosphate
- (vi) M/s Rohini Fire Safety Pvt Ltd - City compost
- (vii) M/s Hanusita & Sons - Rock Phosphate.

The Company is exploring the establishment of manufacturing facilities by forming Joint Venture Company with other agencies for manufacture of Single Super Phosphate (SSP), Insecticides, Zinc Sulphate, Magnesium Sulphate, Borax etc. with buy back arrangement.

(II) New Investments & Projects

BVFCL plants are underperforming due to obsolete technology, equipment failures and shortage of natural gas. The capacity of the plants is much below the present day minimum economic size and the technology employed doesn't provide any leverage for energy efficiency at par with the present day plants. Acute shortage of experienced and qualified manpower is also affecting its performance to a great extent.

In order to make best use of the available Natural Gas and to revive the company, proposal for establishment of a new large size Brownfield Ammonia-Urea plant at Namrup on PPP mode was initiated along with financial restructuring of the Company for short term sustainability till the commissioning of the proposed new plant. As per the proposal, 48% equity of this project was to be allotted on nomination basis and rest 52% equity of the project was to be allotted to private/public entity through bidding. The proposals received approval of the Union Cabinet in its meeting held on 21st May 2015. However, the action taken to allot 52% of the equity to a Private/Public partner through bidding process failed to yield

any result. However, Department is in the process of exploring possibility of allocation of remaining 52% equity to CPSEs on nomination basis.

Status Report for Atmanirbhar Bharat pertaining to the Company:

The Company is contributing to Atmanirbhar Bharat by producing indigenous urea by running two very old designed plants of 1960's and 1970's at a very low production cost. The plant is using only APM Natural Gas from the near-by wells and thereby ensuring no dependence on imported LNG/RLNG etc. Moreover, as the plants are very old, so most of the spares are now procured from indigenous sources by developing local vendors for the same.

Salient points are given below:

- (a) During the FY 2019-20, the Company has used only cheap Natural Gas available from the near-by gas/oil fields and not used any LNG/RLNG or other imported feedstock. In spite of the plants surpassing their effective life and troubled with frequent failures, Rs.210 Cr has been saved in foreign exchange by producing indigenous cheap urea using local Natural Gas, which would have to be otherwise imported at IPP rate to meet the shortfall in Urea.
- (b) List of items have been prepared for the next three years, which can be procured exclusively from indigenous sources.
- (c) Savings of Rs.3.35 Cr could be achieved against target of Rs.90.00 Lacs, in 2019-20, by adopting reverse engineering practices for OEM spares which are unavailable due to the plant becoming old and obsolete. As most of the critical equipments are imported and the non-OEM spares have been developed from indigenous vendors, so this has boosted Atmanirbharta.
- (d) Saving of Rs.6.09 Cr has been achieved against target of Rs.4.50 Cr in 2019-20 for Development/ Procurement of spares from indigenous sources by replacing imported items. This has also boosted Atmanirbharta by directly replacing imported items.
- (e) A proposal to replace the existing plants by establishing a new modern project of bigger capacity is under consideration of DoF to reduce dependence of urea import by boosting Urea production by more than three times to encourage Atmanirbharta.
- (f) Unlike other projects which are dependent on RLNG for about 30% of their feedstock requirement, the existing plants and the proposed project will be based entirely on domestic Natural Gas available from the near-by areas from M/s OIL. This will give a big boost to the scheme of Atmanirbharta.
- (g) This project has a very high potential to export Urea to the neighboring countries like Bangladesh, Nepal, Myanmar etc. because of its close proximity to these countries and good connectivity, when self-sufficiency in urea production is achieved in the country. The Company had already exported more than 2.0 LMT of Urea to Nepal in the last few years. This will boost the vision of Honourable Prime Minister for 'Make for World', along with 'Make in

India’.

- (h) The Company has procured 35.34% of the total procurement in FY 2019-20 from MSE vendors against the mandatory procurement requirement of 25% from MSEs.

Department of Fertilizers had instructed all the PSU under its control to review their product portfolio keeping in view the Atmanirbhar Bharat Abhiyan and market demand of the domestic industrial chemical/ fertilizer sector. Also, in the 1st QRM of fertilizer CPSEs held on 29th June 2020, all the CPSEs were directed to explore the possibility of diversification in the related chemical productions manufacturing venture. DoF has further advised to discuss the matter regularly in Board meetings of the respective PSUs and state the efforts made towards this Scheme in monthly reports.

In view of the above, efforts are being made to identify the chemicals/fertilizers which are feasible to be produced based on synergy with the existing product portfolio of BVFCL and their marketability.

(III) Revival of sick/weak units – status/Action Plan:

All the Namrup plants are based on technologies as available during 1960 and 70’s. Thus the energy consumptions are much higher as compared to modern plants. As the technologies have become obsolete, availability of spares for maintenance and replacement of the machineries/equipments is becoming increasingly difficult. The machines being old, the frequency and degree of maintenance is also high.

DoF has instructed BVFCL to approach the Consultant regarding requirement of 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 to M/s PDIL vide dated 25.09.2019 and M/s PDIL has recently submitted their Draft Report in which they have proposed the new energy consumption norm to be 18.10 GCal/MT for Namrup-II and 13.24 GCal/MT for Namrup-III. The report has been scrutinized by BVFCL and sent back to M/s PDIL for further updating/changes and correction of facts and figures. Reply is awaited from M/s PDIL. A Letter was sent to DoF vide dated 24.02.2020 for revision in concessional price of Urea and specific energy consumption norm of BVFCL Namrup-II and Namrup-III plants.

In the year 2011, process licensor was engaged for health study of the existing plants and suggest the remedial measures for efficient and sustained running of the plants. After study, it was suggested for revamping at the cost of Rs.1726 Cr. with a marginal increase in production and lowering of the energy, which was not found economically viable and it was decided to install a larger capacity brown field new plant and till then the existing plants are being run safely.

To give a boost to industrialization and economy of the North Eastern region, immediate action is required to be initiated to obtain Cabinet approval for the project with an installed Urea production capacity of 12.70 LMT per annum, to be established by a Joint Venture of CPSEs and Govt. of Assam Govt. of Assam on nomination basis by instructing all the stake holders to expedite the work. DoF to arrange a meeting of all the stake holders. A proposal may be submitted to HMCF to call a meeting of Minister for P&NG, Minister for Power, Minister I/C DONER and Chief Minister, Assam to explore investment by other CPSEs in addition to the existing ones identified already by DoF. The CMDs of Power and Petroleum sector CPSEs and NEEPCO having presence in North Eastern region is expected to be present apart from the Secretaries of the concerned departments

5. Human Resource Management

I. Manpower (as on 01.11.2020):

Group	Total Employees	Number of Employees belonging to				
		SC	ST	Ex. Serviceman	Physically Handicapped	OBC
A	262	2 3	2 3	0	0	76
B	176	1 0	3 3	0	0	65
C	76	7	1 1	0	1	24
D	14	4	2	0	0	7
Total	528	4 4	6 9	0	1	172

II. Grievances redressed:

BVFCL has a grievance redressal committee for resolving the grievances. During the financial year 2020-2021 i.e. since 1st April 2020 to till date (i.e. 01.11.2020), the Committee has not received any grievance from the employees.

III. Welfare of Minorities:

BVFCL is taking due care of minorities at the time of recruitment, promotions etc. A representative of the minority community is also included in the Selection Committee for recruitment and promotion.

IV. Training:

At BVFCL, continuous effort for skill development for improved performance of employees is made through in-house training both in the plant and through classroom lectures. In spite of limitations on fronts like fund and training

resources, BVFCL works out training need assessment based on the yearly feedback on performance from the departments. Further extensive training need survey is carried out periodically based on the analysis of the educational qualification, training imparted during the induction period, subsequent on the job exposure, summarized feedback on performance and interviews. Keeping in view of the ongoing COVID-19 pandemic, employees have been taking part in the online training programmes through webinars, video-conferences etc.

Further, BVFCL has been engaging apprentices through National Apprenticeship Training Scheme (NATS) portal introduced by Ministry of Human Resource Development (MHRD), Government of India and National Apprentice Promotion Scheme (NAPS) portal under Ministry of Skill Development (MSDE), Government of India.

Apart from engaging 13 Nos. apprentices through the NAPS portal, BVFCL has engaged 6 Nos. CMA trainees as on date, as well as many Vocational Trainees for exposure to actual industrial environment.

BVFCL has also executed an agreement with a near-by ITI for imparting Industrial Training to the students as a part of skill development of the youths.

6. CSR & Sustainable development:

Due to non-fulfilment of guidelines, M/s Brahmaputra Valley Fertilizer Corporation Limited, Namrup has been exempted from keeping fund positions under Corporate Social Responsibility (CSR). However, BVFCL voluntarily undertakes various welfare schemes and briefly they comprise of the following:

(a) **BVFCL** is running one Higher Secondary School, one Kendriya Vidyalaya and one Model High School (English Medium) besides one Primary School. 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.

(b) One hospital with reasonable equipments 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.

(c) **BVFCL** also extends facilities to the public of Namrup and adjoining areas like Drinking Water Facilities, Market, Land for Religious/ Cultural and other institutions and accommodation for Telephone Exchange, Post Office, Employment Exchange and Civil Defence Office.

(d) In order to maintain the total socio-cultural harmony of the locality, time to time financial assistance are extended to the nearby educational and social institutions from the Special Welfare Fund while steps taken for giving meritorious awards to the employee's wards in recognition of their brilliant academic performance from Employees' Amenities Fund.

(e) During the SwachhtaPakhwada 2020, some awareness programmes were undertaken for the employees of BVFCL as well as the residents of its locality and cleanliness drive were initiated at all offices, public buildings, hospital & guest house of BVFCL, daily markets, play grounds and public road sides in BVFCL township. Further, webinar on “Plastic Waste Management” and Video Conference with fertilizer dealers and marketing offices for the dissemination of information on Swachhta/ Plastic Waste and promotion of Bio/Organic Fertilizers/City Compost were also been arranged. **BVFCL received the first prize amongst the PSUs under DoF for Swachhta Pakhwada 2020. CMD BVFCL received on 27.10.2020 the Best performer award in Swachata activities during Swachhta Pakhwada 2020 from Secretary (Fertilizers). Secretary (Fertilizers), praised the total team of BVFCL for their work and asked to carry out the same to achieve the dream of Rastrapita.**

7. Initiatives to improve the performance of the organisation:

Despite the unit being the first gas based urea manufacturing unit in India and having all the infrastructure and feedstock readily available, it is becoming extremely difficult to maintain reasonably good production level from the existing units in a cost effective manner. Commercial production in Namrup-II and Namrup-III plants started 44 years and 33 years old respectively and these plants were conceived several years prior to starting commercial production. So, these plants are not based on modern technology available now-a-days and its production capacity is also negligible compared to standard size 12.70 LMTPA plant of present time. Energy consumption in these plants are also very high throughout due to the above reasons. Now, both the plants have outlived their effective shell life, as confirmed through Health Study by PDIL and HTAS in 2011.

Because of low capacity utilisation and frequent maintenance of the equipments, these plants have failed to generate enough fund to be utilized for their modernisation which is vital for sustained reliable operation of the plants in energy efficient manner.

Due to gradual deterioration of the plant performance in the recent past, the Company is in dire need of financial support to ensure safe and stable operation of the plants. Due to old and obsolete technology and age of plants, there is an increase in unforeseen breakdowns causing frequent interruptions in production. This has caused acute paucity of fund. As revamping of the existing units were not considered to be viable, so the existing plants are required to be run till the new project is commissioned to ensure continued supply of urea fertilizer to the farmers of this region. For that purpose, fund is urgently required to address the serious challenges faced, to undertake repair, renovation, replacement of critical catalysts etc. Without this, the operation of Namrup-II and Namrup-III will come to a grinding halt very soon affecting the well trained and skilful manpower and collapsing the experienced established marketing distribution network and affecting the farming sector in the entire North Eastern region. In that case, additional urea is to be imported spending forex to meet the demand.

Remedial measures taken

Health Study of the existing BVFCL plants were conducted by M/s HTAS and M/s PDIL in 2011. It was opined by these renowned Process Licensor and Consultant that the existing plants had outlived their effective life and no major expansion/diversification or achieving very good energy efficiency is not possible for these plants. They suggested that the only alternative for long term survival of the Company is to establish a new project of standard size having high energy efficiency and state of the art technology.

However, due to pending decision on establishment of a new project by closing down the existing units, BVFCL has prepared an alternate option for long term measure to continue running the existing plants of Namrup-II & III with sustained production and better energy efficiency. For this purpose, further investment will be needed with approval of DoF. A proposal is under the consideration of Department of Fertilizers to extend a financial grant-in-aid of Rs.100 Cr to carry out the renewal and replacement jobs essential for safe and steady running of the plants. This fund is expected to be utilized within a period of about one year after release of the fund the total production of Urea from the two existing units is likely to reach about 3.90 Lacs MT per annum after completion of the entire jobs.

As such with the small investment of Rs.100 Cr. not much improvement is foreseen on the energy front as compared to the modern standard size plants. However, achieving optimum on stream days will help in reducing energy consumption to the extent possible for these old plants. By utilizing the proposed fund of Rs.100 Cr, BVFCL will be able to safely operate the existing plants at an optimum load for another 4 – 5 years as a stop gap arrangement only till a new modern ammonia urea plant of 12.70 LMT per annum is established at the existing location of BVFCL Namrup

BVFCL has prepared their Short Term Planning for 0 to 1 year and Medium Term Planning for 2 to 5 years. Some of the major jobs proposed to be undertaken in the above period are

- (a) Replacement of HT, LT and Synthesis Catalysts of Namrup-II and Primary Reformer catalyst of Namrup-III.
- (b) Adequate measures have been taken as an ongoing process to continue production with cost control/cost reduction, substitution of imported spares through reverse engineering in Company Workshop as well as through indigenous vendors, which not only saved foreign exchange but also reduced high lead time in procurement.
- (c) Recruitment of Executives and non-Executives on yearly basis is being chalked out based on the present and future Man in Position versus optimum manpower required to run the company.
- (d) Regular need based training and re-training of the existing and new employees is being organized both external and in-house.
- (e) Action initiated for identification of non-moving inventory. Improve inventory control and spares management, initiating timely procurement action. Reverse

engineering is being practiced as cost cutting and import substitution measure for spares.

Availability of the grant-in-aid of Rs.100 Cr as proposed will help in meeting the capital expenditure requirement for undertaking required repair jobs of Namrup-II plants together with replacement of ageing catalysts & critical spares for important equipments which in turn will ensure in achieving optimum on stream days and production level.

As the Long Term measure, the Company is actively following up for a new project of standard size Ammonia-Urea plants to replace the existing plants. Due to pending decision of establishing new project, BVFCL has prepared an alternate option for long term measure to continue production in the existing plants on sustainable basis beyond 5 years and with better capacity utilization. Some of the measure to be taken for this purpose are as follows:

- Review of study report prepared by Process Licensers in 2011 for 100% capacity utilization and sustained operation with improvement in overall energy. A total of Rs.1726.92 Cr. was estimated in 2011 by PDIL. Review of study report in present context of plants is planned to be done by a technical committee.
- Based on the review of study report, cost estimate will be prepared and submitted to board for consideration and further direction.
- Enhance trading of Urea, SSP, MoP, DAP, Seeds, Pesticides and other fertilizers as targeted in MOU.
- Reduce cost by various cost cutting measures as an ongoing process.

Compliance of Health Safety & Environment Regulations:

- a) 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.
- b) BVFCL is regularly applying to State Pollution Control Board for renewal of Consent to Operate and the same is being renewed after conducting inspection by State PCB officials. Consent to Operate for 2020-21 is in hand.
- c) The Company is having a full-fledged Fire Station comprising 3 Nos. operational Fire Tenders. Fire & Safety Department is strictly monitoring the statutory requirement as per various applicable rules/laws/norms etc.
- d) Similarly, all the Hazardous Wastes generated are being disposed off to CPCB authorized vendors only through MSTC and duly processing the 5-year Authorization for generation/dispose etc. of Hazardous Waste.
- e) BVFCL is having a number of licenses issued by Petroleum Explosives Safety Organization (PESO) including for 2 Nos. 1500 MT Liquid Ammonia Horton Spheres, 4 Nos. Chlorine Cylinder Storage licenses and 1 Nos. each for LPG and

Petrol Pump as per Static & Mobile Pressure vessels (Unfired) Rules 2016 and Gas Cylinder Rules 2016. These licenses are being regularly renewed by the statutory authorities after inspection.

- f) Hazardous Chemicals are being handled and stored as per stipulated procedure in the applicable rules.
- g) External Safety Audit is being regularly conducted by engaging reputed Consultants. In FY 2019-20, Hazop Study and Risk Assessment Study was conducted for the first time by engaging Consultant to check the actual operating condition vis-à-vis recommended norms and if there was any deviation within the permissible range. Reports are circulated to the concerned departments for taking remedial measures, if any.
- h) Public Liability Insurance of Rs.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.
- i) BVFCL Namrup is committed to work for the protection of environment and it is adhering to all the relevant and applicable laws/rules/ standards etc.

Photographs



Celebration of Independence Day 2020



Best performer award in Swachata activities during #swachhtapakhwada from Secy (F)



Signing of MoU 2020-21 with DoF



Campaign for Jan Andalon for COVID-19



Oath taking for Campaign for Jan Andalon for COVID-19



Swachhta Campaign on Gandhi Jayanti 2020



Observation of Gandhi Jayanti 2020



Mock Drill in August 2020



Replacement of the old Water Cooled Condenser with a new one in Annual Shutdown 2020



Tree Plantation on the occasion of World Environmental Day 2020



Video Conference with Fertilizer Dealers for SwachhtaPakhwada 2020



Awareness Programme for SwachhtaPakhwada 2020

7.2 The Fertilisers and Chemicals Travancore Limited (FACT)

1. BRIEF OVERVIEW OF THE ORGANISATION

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

From a modest beginning, FACT has expanded and diversified into multi-divisional Organisation with varied activities. The parent Division at Udyogamandal underwent four stages of expansion until the year 1972, upgrading technology and increasing capacity.

Another fertilizer unit was established in two phases at Ambalamedu near the BPCL-Kochi Refineries (Ambalamedu is about 30 km away from Udyogamandal). Phase-I, with the Ammonia-Urea Complex commissioned in 1973 and Phase-II consisting of Sulphuric Acid, Phosphoric Acid and Complex Fertiliser Plant commissioned during 1976-78. The said unit is named as Cochin Division.

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

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

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

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

With the adoption of group pricing scheme for urea by Government of India with effect from 01.04.2003, the operations of the Ammonia/Urea plant at Cochin Division became economically unviable with the energy consumption levels of these plants. Consequently it was decided to shut down the Ammonia-Urea plants at Cochin Division.

Main Products of FACT

Product	Installed Capacity
1. FACTAMFOS (NP 20:20)	6,33,500 MT per annum
2. AMMONIUM SULPHATE	2,25,000 MT per annum
3. CAPROLACTAM	50,000 MT per annum

2. VISION/MISSION

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

3. Physical Performance

During the financial year 2019-20, FACT achieved excellent production and marketing performance. During the year 2019-20, Company has touched new height in net profit, production of its prime product – Factamfos and sale of Fertilizers. FACT achieved more than one million Ton fertiliser production and sale during the financial year 2019-20. The Company expects to continue the same trend in the year 2020-21 also.

Production (MT)	Installed Capacity	Product ion (MT) 2019-20	Capacity Utilisation (%) 2019-20	Production upto Nov 2020	Projections for 2020-21	Projecte d Capacity Utilisation (%)
FACTAMFOS (NP 20:20:0:13)	633500	844512	133%	557216	835800	132%
AMMONIUM SULPHATE	225000	220951	98%	151903	220000	98%
CAPROLACTAM	50000	Shut down due to economic unviability. Trial Runs done		Preparatory works for restart, clearance for recruiting critical manpower awaited		

Reasons for major deviation in performance if any;

During the year 2019-20, the Company has made arrangements for uninterrupted supply of RLNG and other fertilizer inputs throughout the year which resulted in optimizing production.

During the year 2020-21 also Company has made arrangements for supply of RLNG for the full year.

Captive production of Ammonia has resulted in uninterrupted operation of fertilizer plants at more than its installed capacity.

Marketing (MT)	Sales during 2019-20	Sales upto Nov 2020	Sales projections for 2020-21
FACTAMFOS (NP 20:20)	835098	614975	835824
AMMONIUM SULPHATE	235922	165525	220000
IMPORTED NPK / MOP	26817	96244	150000
CITY COMPOST	13103	7231	13000

Reasons for Major Deviations;

During the year the Company has extended fertilizer marketing operations to PAN-INDIA, enlarging marketing network to West Bengal, Orissa, Maharashtra & Gujarat. As a first step, the company started marketing Ammonium Sulphate in the states of Maharashtra and West Bengal.

The Company has also started fertilizer trading by importing MoP and complex fertilizer

Financial Performance (Rs Crore)

	For the year 2019-20	For the Period April- Nov 2020	Projections for 2020-21
Turn Over (Rs. Crore)	2769.91	2140.43	3168.61
Profit before tax (Rs. Crore)	975.52	159.17	204.41
Profit after Tax (Rs. Crore)	975.52	159.17	204.41

During the financial year 2019-20 Union Cabinet has approved a proposal for sale of 481.79 acres of land held by the Company to the Government of Kerala, and utilization of the sale proceeds to address working capital deficiency and improvement of Balance sheet to enable the Company to enhance physical and financial performance by implementing capacity expansion projects for sustainable growth.

After considering the extra ordinary income of ₹972.17 crore from sale of land, company has reported a profit of ₹ 975.52Crore for the financial year 2019-2020.

4 PERFORMANCE HIGHLIGHTS

4.1 Previous Year & Current Year

Previous Year (2019-20)

- Surpassed the MoU excellent targets for all end-products in Production and Sales and also surpassed One million MT mark in fertilizer Production and Sales.
- Factamfos (NP 20:20:0:13) production of 8.45 Lakh MT is an all-time high record surpassing the previous best of 8.38 Lakh MT during 2000-01.
- Ammonium Sulphate production of 2.21 lakh MT is the highest in 19 years period
- Factamfos sale of 8.35 Lakh MT is the highest in last 19 years period
- Ammonium Sulphate sale of 2.36 Lakh MT is the highest in 19 years period
- ISO 50001: 2018 certification for FACT Udyogamandal Complex
- All time high City Compost sale (13103 MT) for the year (previous best 9370MT)
- 122 MT Bio-fertiliser sale for the year.
- Imported one parcel of NPK 16:16:16 (27324 MT) for augmenting fertilizer sales
- Trading of Urea and MOP purchased from NFL was also initiated in December.
- Action initiated to extend fertiliser marketing operations to Pan-India, enlarging marketing network to West Bengal, Orissa, Maharashtra & Gujarat as a first step,

started marketing Ammonium Sulphate in the states of Maharashtra and West Bengal.

- Caprolactam plant has been under shut down since October 2012, due to economic unviability. After completing major maintenance activities and installing online effluent monitoring facilities, trial run of the plants were completed. Planning to restart Caprolactam operations during the financial year 2020-21.

Current Year (2020-20)

During the half year ended 30-09-2020 the financial, production and marketing performance of the Company was excellent. The financial results for the first half year ended 30.09.2020 shows a profit of ₹65.61 Crore and the quarter ended 30.09.2020, the profit is ₹83.07 Crore. This is all time high profit earned by the Company during any quarter / half year.

Highlights of Performance upto November 2020

- All time high Factamfos sales during April- Nov 2020 period - 6.15 lakh MT
- All time high Sale of FACT Organic during April- Nov period - 7232 MT
- Imported 3 MOP & 1 NPK parcels during the year
- FACT has started using coastal shipping as a new mode of transport
- All time high Monthly fertilizer production of 1.118 Lakh MT in October 2020.
- Highest monthly Factamfos production at Cochin Division: 65460 MT in October 2020.
- Highest monthly Factamfos production at Udyogamandal Complex: 22121 MT in October 2020.
- Highest Monthly Fertilizer Dispatch at Cochin Division of 65527 MT in October 2020.

4.2 New Investments /Projects

Union Cabinet has accorded approval for CAPEX worth Rs. 608 crores for implementing essential capital jobs with a view to enhance the reliability of production plants and compliance with changing statutory requirements.

FACT is planning to utilize the proceeds from the sale of land to expand production capacity by setting up an additional NP plant of 1650 TPD production capacity, upgradation of logistics and raw material handling facilities to address issues of debottlenecking & optimizing the capacity utilization. Along with this, considering the vintage of the plants and machinery, critical renewal & replacements in the existing plants are also considered for maintaining operations at optimum level.

Tender for the major capex schemes NP plant, Ammonia Storage Tank & Ammonia Barge are floated, (covering more than 70% of the total Capex plan). Due to travel restrictions on account of COVID-19, bidders were asking for time extension for site

visit and subsequent pre-bid meetings, forcing the Company to reschedule subsequent activities and the bid submission dates were extended.

Setting up of 1650 TPD Factomfos plant and implementation of the CAPEX may result in increase in the fertiliser production of the Company from 10 lakh MT to 14 lakh MT. FACT is also planning to increase import of fertilizers to meet the market demand and improve turnover of the company. With restart of Caprolactam operations and trading of fertilizers, the Company expects to increase the turnover from the present ₹2800 crore to ₹5000 crore by the year 2024-25, with a continuous profit of ₹250 to 300 crore per annum.

4.3 Revival of Sick / weak units Status / Action Plan

Following the Cabinet approval, FACT has leveraged 481.79 acres of its land at Cochin Division to Government of Kerala / KINFRA and received the consideration for the sale. The consideration received would be utilized as per the decision of Cabinet. The Company has submitted a financial restructuring package to Government. The matter is under consideration

5 HUMAN RESOURCES MANAGEMENT

5.1 Manpower

The total number of regular employees as on 01.12.2020 is 1825. Company has recruited 3 officers in Managerial cadre, 3 Management Trainees and 54 Non-Managerial employees during the year 2020-2021.

5.2 Grievance Redressal Procedure

The objective of the Employees Grievance Redressal Procedure is to provide an easily accessible machinery for settlement of grievances and to adopt measures to ensure expeditious settlement of grievances of all the employees to inspire confidence in the system leading to increased satisfaction on the job and resulting in improved productivity and efficiency of the organization. The Grievance Committees will provide an apparatus in the organizational framework that may: (i) facilitate easy access to individuals for ventilating personal grievances; (ii) ensure speedy consideration of grievance and decision thereon; (iii) impart a degree of objectivity and fair-play in the whole process.

Following are the Grievance Committees existing in the Company:

Managerial Grievance Committee

Inter Divisional Grievance Redressal Committee, to attend to the grievances of employees in Managerial grade E0 to E5.

Corporate Grievance Redressal Committee, to attend to the grievances of employees in the level of Deputy General Manager.

Grievances, if any, of employees at General Manager level shall be submitted to CMD through Functional Directors. The decision of CMD or if referred to the Board of Directors, as the case may be, in this regard shall be final and binding.

Non-Managerial Grievance Committee

Divisional Grievance Redressal Committee, to attend to the grievances of employees in the Workmen category is constituted as per provisions of Industrial Disputes Act.

5.3. Welfare of Minorities

The directives of the Government in recruitment and promotion of SC, ST, and OBC are followed by the Company. SC/ST Employees associations are functioning in the Company. SC/ ST Officers are adequately represented on the interview boards and ensure representations in other associations. Due consideration is given for allotment of residential quarters to SC/ST employees.

An SC/ST Grievance Cell is functioning in the Company comprising the Chairman, who is also Chief Liaison Officer (for matters pertaining reservation of SC/ST, and grievances of SC/ST employees in the Company), Liaison officers of various Divisions and representatives of employees belonging to SC &ST. Further there are SC/ST employees associations functioning in the Company.

5.4 Training & Development

The Company offers in-house training as well as external training to its employees.

Details of Internal and external training provided by the company during the year 2019-20 and 2020-21 is given below:

Details of Internal Training

Year	2020-21 (April-Nov)	2019-20
Total No. of programmes conducted	28	97
Total participants	710	2487

External Training offered

Year	2020-21 (April-Nov)	2019-20
Total No. of programmes conducted	28	97
Total participants	710	2487

6.0 CSR AND SUSTAINED DEVELOPMENT

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

7.0 INITIATIVE TO IMPROVE THE PERFORMANCE OF THE ORGANISATION

Following initiatives have been taken to improve the performance of the Company

- i. Optimizing Production Capacity: - FACT has made arrangements for supply of RLNG for the full year for uninterrupted operation of Ammonium plant. Setting up of 1650 TPD Factomfos plant and implementation of the CAPEX may result in increase the fertiliser production of the Company from 10 lakh MT to 14 lakh MT.
- ii. Re-start of Caprolactam plant:- The Company is planning to restart its Caprolactam operations during the financial year 2020-2021.
- iii. Import of Fertilisers:- The Company is having an ambitious plan for trading of imported Fertilisers. During the year 2020-21 so far FACT has imported four shipments of Fertilizers.
- iv. PAN India Operations:- The Company has extended fertiliser marketing operations to PAN-INDIA, enlarging marketing network to North Indian States.
- v. Chemical Trading: - Company has started trading of chemicals like Ammonia and Sulphuric Acid.
- vi. Financial Restructuring: - The Company has submitted a Financial Restructuring Package to the Government of India for wiping out of the accumulated loss and improve the net worth. Implementation of the Financial Restructuring along with the Capital projects would result in turn around the Company in the near future



Coastal Shipping - Shri Kishor Rungta C & MD and Dr M Beena IAS, Chairman Cochin Port Trust jointly flagged off the container carrying Ammonium Sulphate from Udyogamandal.



Smt Kanimozhi, MP, Chairperson "Standing Committee on Chemicals and Fertilisers" and members of the Committee during their visit to FACT Cochin Division, Ambalamughal. Shri Kishor Rungta, C & MD is also seen.



FACT & Cochin Port Trust exchanging the MoU for reconstruction of South Coal Berth at Cochin Port.



Shri D V Sadhanandha Gowda Hon'ble Union Minister, Chemicals & Fertilisers & Shri V Muraliedharan, Hon'ble Union Minister of State, External Affairs, in discussion with Shri Kishor Rungta, C & MD, Shri Dharampal, Add. Secretary (Fert.), Other Senior Executives of FACT and Trade Union Leaders.



Shri Kishor Rungta, C & MD signing sale deed for the sale of land to Govt of Kerala/ KINFRA.

7.3 FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED (FAGMIL)

1. Overview

The FCI Aravali Gypsum and Minerals India Limited was incorporated under the Companies Act, 1956 as a Public Sector Undertaking on 14.02.2003 after being hived off Jodhpur Mining Organisation (JMO) from Fertilizer Corporation of India Ltd. (FCIL). The authorized share capital and paid up share capital of the Company is Rs.50.00 crore as on 31-03-2020.

2. Vision / Mission

2.1 Vision

To become a leader in Mining of strategic minerals including gypsum for reclamation of land, improving the health of the soil with sulphur nutrients, infrastructure development through supply of ROM gypsum to cement industries and producing various types of Fertilizers.

2.2 Mission

The Company's mission is to establish and carry on in India or in any part of the World all kinds of business relating to Gypsum and other minerals and their by-products and manufacture of various types of fertilizers, all organic and inorganic chemical compounds including by products, derivatives and mixtures thereof.

3. Industrial / Business Operations

3.1 Physical Performance

Product ion	Installed Capacity (MT/Ann um)	2019-20 Previous Year		2020-21 Current Year		
		Producti on (MT)	Capacity Utilisation (%)	Production Upto Nov. 2020 (MT)	Projecti ons for 2020-21 (MT)	Projected Capacity Utilization (%)
Gypsum	1106000*	497393	44.81	301574	468436	42.35

*1110000 for the year 2019-20

Marketing	Sales 2019-20		Sales Upto Nov.2020		Sales Projections 2020-21	
	Qty. (MT)	Amount (Rs.Cr.)	Qty. (MT)	Amount (Rs.Cr.)	Qty. (MT)	Amount (Rs.Cr.)
Gypsum	498789	35.87	303517	21.70	468436	35.64

3.2 Financial Performance

	For the year 2019-20	For the period April – Nov.2020	Projections for 2020-21
Turnover (Rs.Cr.)	35.87	21.70	35.64
Profit before and tax (Rs.Cr.)	21.06	10.22	18.03
Profit after tax (Rs.Cr.)	14.91	7.65	13.49

4. Performance Highlights

4.1 Previous Year & Current Year

During the year 2019-20, the company produced and sold 4.97 LMT & 4.99 LMT of gypsum in comparison to 4.12 LMT & 4.27 LMT in 2018-19 respectively.

During the year 2020-21 up to 30.11.2020, the company produced 3.02 LMT and sold 3.04 LMT of gypsum.

During the year 2019-20, the Company achieved Sales turnover and Profit before tax of Rs. 35.87 crores (previous year Rs. 47.46 crores) and Rs.21.06 crore (Previous year Rs. 29.89 crore) respectively. The post-tax profit was Rs.14.91 crore (previous year Rs. 20.49 crore). The company paid Dividend of Rs. 12.60 crore in 2019-20 for the

financial year 2018-19 and proposed to pay dividend of Rs. 12.51 crore in 2020-21 for the financial year 2019-20.

The sales turnover up to 30.11.2020, is Rs.21.70 crore.

4.2 New Investments / Projects

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

- (i) To obtain mining leases/ PL's of White Cement Grade Lime stone in Himachal Pradesh to install a White Cement Plant.
- (ii) To enter into business of important minerals like Rock Phosphate & Dolomite etc. for which FAGMIL has applied for the prospecting lease and mining lease respectively.

5. Human Resource Management

5.1.1 Manpower as on 31.03.2020

Group	Total Employees	Number of employees belonging to				
		SC	ST	Ex-Service	PH	OBC
A	22	04	0	0	0	06
B	08	01	0	0	0	01
C	08	0	0	0	0	02
D	01		0	0	0	-
TOTAL	39	05	0	0	0	09

5.2 Grievances Redressal

Grievance Cell is functional to redress the public and staff grievances and no grievance is pending as on date.

- **For Public grievance-**

Head Office at Jodhpur receives the public grievances, which are redressed by the Grievance Cell. At present, no grievance is pending.

- **For Staff Grievance-**

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

5.3 Welfare Measures

i. Welfare of Minorities

Nil

ii. Welfare, Development and Empowerment of Women

The company is taking due care towards women empowerment.

iii. Welfare of SCs & STs

The company is also implementing various social scheme for the welfare of society and employees under which it provides scholarship, tuition fee (for 2 children) and reimburse the cost of study material to children of employees.

iv. Welfare of PWDs

As of now, the company has no employee with physical disability. However as per extant rules, governing the welfare of PWDs, the compliance is made by the company by reserving posts

5.4 Training

S.No.	Course Name	Number of official attended the course	Place	Duration (in days)
1.	Workshop on Decrease of usage of Single use plastic by CIPET Jaipur	32	Jodhpur	1
2.	Six days Training Program on Digital Marketing for business growth	1	IIM Bangalore	5

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

During the year company has appointed 15 apprentices under The Apprentices Act, 1961.

(B) Procurement through MSME vendor-

Rs. 0.54 crore in the year 2019-20 is the procurement through MSME Vendor.

6. Corporate Social Responsibility and Sustainable Development (CSR/SD)

As a part of society, the company undertakes socio economic and community development programs to promote education, training and improvement of living conditions in villages located in the vicinity of our mines. For this, the company has developed a CSR scheme and spends at least 2% of its average profit of last three years, every year. During the year 2019-20, Rs. 114.48 lakh (previous year Rs. 75.13 lakh) was spent against target of Rs. 113.61 Lakh on promoting education, health care, making available the drinking water facilities, sanitation and contribution to PM CAREs Fund.

7. Initiatives to improve the performance of the organization

Venturing into Other Minerals

FAGMIL succeeded to get the reservation of two blocks of Rock Phosphate and one block of Dolomite on 19.12.2018 from Ministry of Mines, Government of India with the help of Department of Fertilizers. Application for Mining Lease of Dolomite was filed on 04.07.19 and Applications for Prospecting license of Rock Phosphate was filed on 05.07.2019 and on 14.10.2019. The proposals are presently under consideration of Government of Rajasthan

White Cement Plant

The company intends for mining of white cement grade lime stone in Himachal Pradesh and establish white cement plant in joint venture mode. For this the company applied for one mining lease and four prospective licenses of white cement grade lime stone in Himachal Pradesh. Letter of Intent (LOI) for the applied mining lease has been issued on 27.06.2018 and MOU for the project has been signed on 25.02.2019. However, the project is presently on hold due to stay order of Hon'ble High Court, Himachal Pradesh.

8. Photographs

1. FAGMIL received Swachhata Award from Secretary (F), Shri ChhabilendraRoul for 2020-21.



2. Celebration of Gandhi Jayanti and Lal Bahadur Shastri Jayanti



3. Celebration of Vigilance Awareness Week



4. Distribution of Masks & Sanitizers



7.4 FERTILIZER CORPORATION OF INDIA LIMITED (FCIL)

1. Brief Overview of the Organization

Fertilizer Corporation of India Ltd. (FCIL) has five units at Sindri (Jharkhand), Talcher (Odisha), Ramagundam (Telangana), Gorakhpur (U.P.) & Korba (Chhattisgarh). Due to obsolescence of fertilizer technologies, high energy consumption and deficiency of quality & quantity of power, the Company was making losses and eroded its net worth.

Closure of operations of the Units

Government of India (GOI) decided in September 2002, to close operations of FCIL and release all its employees under Voluntary Separation Scheme (VSS). These units have huge infrastructure facilities like sizable land bank, residential quarters and office buildings, railway siding, tied up sources of electricity and water.

Revival of the closed fertilizer units of FCIL

Considering the fully-developed infrastructure available with FCIL and the demand of fertilizer, Government of India in October, 2008, constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options of revival of closed units of FCIL & HFCL.

On the recommendations of ECOS, CCEA approved on 4.8.2011 revival of Gorakhpur & Korba Units through 'bidding route' and Ramagundam, Talcher & Sindri Units by PSUs on 'nomination basis' by providing minimum of 11% equity to FCIL in lieu of land use and infrastructure.

To ensure early revival of the Units, CCEA approved on 9.5.2013 waiver of GoI loan and interest, in order to turn the net worth of FCIL positive. Subsequently, BIFR de-registered FCIL from its purview on 27.6.2013. At present, FCIL has 3 employees on its roll.

Progress of revival of closed Units of the Company

Ramagundam Unit

A Joint Venture Company, namely, Ramagundam Fertilizers & Chemicals Limited (RFCL) has been incorporated by the nominated PSUs, namely, EIL (26% equity), NFL (26% equity) and FCIL (11% equity) to set-up a gas-based fertilizer plant with a capacity of 12.7 lakh MT per annum. RFCL has appointed EIL as EPC Service Provider. Concession Agreement, Lease Agreement & Substitution Agreement have been signed with FCIL. Physical progress of construction at site is around 99.75% as on 15th October 2020. The plant is likely to be commissioned by December 2020..

Talcher Unit

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

Sindri & Gorakhpur Units

Union Cabinet decided on 13.7.2016 to revive Sindri& Gorakhpur Units of FCIL, along with Barauni Unit of HFCL by a Joint Venture Company of nominated PSUs, namely, NTPC, CIL & IOCL. FCIL & HFCL would also be Joint Venture partners, who would receive 11% of equity in each of the projects in lieu of land use, 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)' has been incorporated for the purpose of revival of the units. Construction job has been started by HURL at all the project sites. Concession Agreements as well as Lease Deeds have been signed between FCIL & HURL for Sindri& Gorakhpur Projects. Substitution Agreements for Gorakhpur & Sindri Units have also been signed amongst FCIL, HURL & Lenders' Representative. Gorakhpur achieved an overall physical progress by 81.5% and whereas Sindri achieved an overall physical progress of 75.9% by end of September 2020.

Korba unit

The revival of Korba Unit would be taken up later.

2. Vision/ Mission

To revive all the closed units of FCIL to achieve self-sufficiency in the availability of domestic urea in the country by setting up 12.7 lakh MTPA of Urea at each of the four closed units, namely, Sindri, Gorakhpur, Ramagundam & Talcher.

3. Industrial/ Business Operations (previous Year & Current Year projections)

3.1 Physical performance (against capacity)

Production	Installed Capacity (MT/Annunum)	2019-20 (Previous Year)		2020-21 (Current Year)		
		Production (MT)	Capacity Utilization (%)	Production up to Dec. 2019 (MT)	Projections for 2019-20 (MT)	Projected Capacity Utilization

						n (%)
Product 1	-	-	-	-	-	-
Product 2	-	-	-	-	-	-
Product 3	-	-	-	-	-	-

3.2 Financial Performance

	For the year 2019-20	For the period April-Dec. 2020 (Estimated)	Projections for 2020-21 (Estimated)
Turnover (Rs. Crore)	71.35*	42.07	56.09
Profit before tax (Rs. Cr.)	53.89	28.47	38.62
Profit after tax (Rs. Cr.)	52.77	20.53	27.38

* Shares received from RFCL of Rs.28.70 crore

4. Performance Highlights

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

4.2 New Investments/ Projects: The land & infrastructure of the Units have been put to use by the Joint Ventures of nominated PSUs, who would provide 11% equity to FCIL in lieu of the infrastructure & land being utilized by them.

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

5. Human Resource Management

5.1 Manpower – There are only 3 employees on roll as on 1.12.2020

5.2 Grievance redressal – As there are only 3 employees on roll of the Corporation, there is no Grievance Redressal Committee in place.

5.3 Welfare of Minorities – As there are only 3 employees on roll of the Corporation, no Minority Welfare Committee is in place.

5.4 Training – As there are only 3 employees on roll of the Corporation, no Training Programmes have been taken up.

6. CSR & Sustainable Development

Nil. In terms of Sec.198 of Company's Act, 2013, the profitability results of the Company do not attract CSR activity.

7. Initiatives to improve the performance of the organization

All Units of FCIL are under revival by the JVs of nominated PSUs.

7.5 HINDUSTAN FERTILIZER CORPORATION LIMITED (HFCL)

1. Brief Overview of the Organization

Hindustan Fertilizer Corporation Ltd. (HFCL) has three units at Barauni, (Bihar), Durgapur and Haldia (West Bengal). Due to obsolescence of fertilizer technologies, high energy consumption and deficiency of quality & quantity of power, the Company was making losses and eroded its net worth.

Closure of operations of the Units

Government of India (GOI) decided in September 2002, to close operations of HFCL and release all its employees under Voluntary Separation Scheme (VSS). These units have huge infrastructure facilities like sizable land bank, residential quarters and office buildings, railway siding, tied up sources of electricity and water.

Revival of the closed fertilizer units of HFCL

Considering the fully-developed infrastructure available with HFCL and the demand of fertilizer, Government of India in October, 2008, constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options of revival of closed units of HFCL & FCIL.

On the recommendations of ECOS, CCEA approved on 4.8.2011 revival of Barauni, Durgapur Units and Haldia Division through bidding route.

To ensure early revival of the Units, CCEA approved on 25/05/2016 waiver of GoI loan and interest, in order to turn the net worth of HFCL positive. Subsequently, BIFR de-registered HFCL from its purview on 12.07.2016. At present, HFCL has 1 (one) employee on its roll.

2. Progress of revival of closed Units of the Company

Barauni Unit.

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

Cabinet also constituted an Inter-Ministerial Committee (IMC) to oversee the revival process. A Joint Venture company in the name of ‘Hindustan Urvarak&Rasayan Limited (HURL)’ has been incorporated for the purpose of revival. Environment Clearance has been obtained for Barauni Unit of HFCL. Concession Agreement and Lease Deed have been approved by the Cabinet and signed between HFCL & HURL for Barauni Project. Substitution Agreement for Barauni Project has been signed, with the approval of IMC, amongst HFCL, HURL and Lenders’ representatives.

Construction activities are in progress at site by HURL.

Durgapur and Haldia Units:

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

3. Vision/ Mission

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

4. Industrial/ Business Operations (previous Year & Current Year projections)

4.1 Physical performance (against capacity)

Plant	Major Product	Installed Capacity (MT/Ann um)	2019-20 (Previous Year)		2020-21 (Current Year)		
			Producti on (MT)	Capacity Utilizatio n (%)	Productio n up to Dec. 2019 (MT)	Projectio ns for 2019-20 (MT)	Projected Capacity Utilization (%)
Baraun i	Urea	Not applicable as all plants are poised for revival	-	-	-	-	-
Durgap ur	Urea		-	-	-	-	-
Haldia	Urea		-	-	-	-	-

Note 1: Barauni plant is under revival by HURL, a JV of nominated PSUs, namely, Coal India, Indian Oil, NTPC, FCIL & HFCL.

4.2 Financial Performance

(Rs./Crore)

	For the year 2019-20	For the period April-Dec. 2020*	Projections for 2020-21
Turnover (Rs. Crore)	17.57	12.75	17.00
Profi before tax (Rs. Cr.)	12.64	9.37	12.50
Profit after tax (Rs. Cr.)	10.43	7.74	10.32

*Provisional

5. Performance Highlights

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

5.2 New Investments/ Projects: The land & infrastructure of the Barauni Unit has been put to use by the Joint Ventures of nominated PSUs, who would provide 11% equity to HFCL in lieu of the infrastructure & land being utilized by them.

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

6. Human Resource Management

6.1 Manpower – There is only 1 employee on roll as on 31.10.2020

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

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

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

7. CSR & Sustainable Development

Nil, since Company's average profit for the three preceding years does not attract CSR activity.

8. Initiatives to improve the performance of the organization

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

7.6 MADRAS FERTILIZERS LIMITED

1. Brief overview of the Organization :

Madras Fertilizers Limited (MFL) was incorporated in December 1966 as a Joint Venture between GOI and AMOCO India Incorporation of USA (AMOCO) with GOI holding 51% of the equity share capital. In the year 1972, NIOC acquired 50% of the AMOCO's share and the shareholding pattern became 51% GOI and 24.5% each of AMOCO and NIOC.

In 1985, AMOCO disinvested their shares, which were purchased by GOI and NIOC in the proportions of their respective shares as on 22.07.1985. The revised share holding pattern was GOI 67.55% and NIOC 32.45%. Subsequent to the Issue of Rights shares

in 1994 for part financing of the Project, the shareholding of GOI & NIOC stand at 69.78% and 30.22%.

During 1997, MFL had gone for Public Issue of 2,86,30,000 shares with face value of ₹10 and a premium of ₹ 5 per share. Of these, 2,58,09,700 shares were subscribed. The present Paid up share capital and the shareholding pattern are as follows:

Shareholder	Paid Up Capital (₹ in Cr)	Share Holding %
GOI	95.85	59.50
NIOC	41.52	25.77
Public	23.73	14.73
Total	161.10	100.00

The production capacity of various plants of MFL is given below:

Plant	Installed Capacity/day	Annual capacity	Technology Deployed
Ammonia	1050 MT	3.46 LMT	M/s HaldorTopsoe A/s, Denmark
Urea	1475 MT	4.86 LMT	M/s Urea Technologies Inc., USA
NPK	C-Train: 960 MT	2.80 LMT	M/s Hindustan Dorr Oliver, India

2. Vision / Mission :

To become a leader in fertilizer and process industry and in production/marketing of agrochemicals and other eco-friendly products like Bio fertilizers/ neem pesticides through

- Efficient Operations
- Quality Products
- Market Orientation
- Dedicated manpower

3. Industrial / Business Operations (Previous Year & Current year projections)

3.1 Physical Performance (against capacity)

3.1 Physical performance (Against Capacity)

Production	Installed Capacity (MT/Ann um)	2019-20 (Previous Year)		2020-21 (Current Year)		
		Production (MT)	Capacity Utilization (%)	Production up to 30 Nov 2020 (MT)	Projection for 2020-21 (MT)	Projected Capacity Utilization (%)
Amm onia	3,46,500	2,11,498	61.0	1,70,455	2,81,605	81.3
Urea	4,86,750	3,45,150	70.9	2,94,325	4,69,825	96.5
NPK	2,80,000	80,000	28.57*	35,330	65,000	23.2

Reason for major deviation in performance, if any :

*low capacity utilization of NPK is due to working capital crisis.

Marketing Performance

Marketing	Sales		
	During 2019-20	2020-21 Upto Nov '20	Projected 2020-21
Own Manufacturing Products			
V 17-17-17 (MT)	65517	35015	80000
V N C Urea (MT)	323764	289036	469000
V Biofertilizers (MT)	46.40	120.20	150.00
Traded Products			
V Neem (KL)	73.42	79.74	100.00
V Organic Manure (MT)	2808	3360	4000
V City Compost (MT)	12040	5595	12000

3.2 Financial Performance

Marketing	Sales		
	During 2019-20	2020-21 Upto Nov '20	Projected 2020-21
Own Manufacturing Products			
V 17-17-17 (MT)	65517	35015	80000
V N C Urea (MT)	323764	289036	469000
V Biofertilizers (MT)	46.40	120.20	150.00
Traded Products			
V Neem (KL)	73.42	79.74	100.00
V Organic Manure (MT)	2808	3360	4000
V City Compost (MT)	12040	5595	12000

4. Performance Highlights

4.1 Previous Year & Current Year

- Ammonia plant Feed stock has been changed over from Naphtha to RLNG and Production commenced with RLNG on 28th July 2019. MFL is the first and only PSU in south India producing urea with RLNG.
- Ammonia plant Boilers (110 ATA & PC boiler) FO burners have also been changed over to RLNG from FO.
- MOU was signed with CMWSSB, for supply of 7 MLD of TTRO water and being received since October 14, 2019, which has reduced the fresh water consumption, processing cost and improved the Cooling Tower cycle of concentration.

Current year: (2020-21)

- During countrywide lockdown due to COVID 19 pandemic situation from March 21, 2019, Urea production and dispatch were sustained, because of the appropriate and adequate precautionary measures taken by the management.

- During November 2020, Ammonia and Urea Plants were running at 94% and 108% load respectively and produced around 1600MT/day of Urea consistently with RLNG as Feed Stock with average specific energy consumption of 9.1 Gcal/ MT of Ammonia & 6.8 Gcal/MT of Urea.

- Achieved lowest energy per day as 8.946 Gcal/MT of Ammonia and 6.61Gcal/MT of Urea on November 10, 2020.

- RO “A” stream membranes were renewed during October 2020.

At the close of Nov 30, 2020, 2425 days were completed without any lost time accident covering 8.54 million man-hours. (Previous best Achieved - 5.66 million man-hours.)

4.2 New Investment / Projects

- Ammonia plant Energy reduction study by M/s HaldorTopsoe, is being carried out.
- Utility plant Boilers fuel conversion from FO to RLNG gas conversion project is at Tendering stage. Expected completion by June 2021.
- Improved Advance Process Control (APC) for Ammonia plant DCS operation is being carried out by M/s Honeywell Automation (for RLNG feed stock operation) in order to improve efficiency in operation

5. Human Resource Management :

5.1 Manpower

Group	Employees as of 30.11.2020	Number of Employees belonging to (**)			
		SC	ST	OBC	EWS
A	160	39	2	66	Recruitment under this category is yet to commence and the candidates under this category will be selected as per Recruitment Roster in future.
B	193	42	3	76	
C	192	59	0	119	
TOTAL	545*	140	5	261	

(*) Against the Board approved Manpower strength of 1036.

(**) 1. Company is following the reservation in promotion / recruitment scrupulously as per instructions issued by Government in respect of reservation.

2. Number of employees indicated above under different categories are the position as of 30.11.2020 after Superannuation / Resignation, etc., and it shall not be construed as a percentage of reservation followed in the Company.

5.2 Grievance redressed

All the Grievance petitions of 22 No's received for this year 2020-21 were resolved in timely manner.

5.3 Welfare of Minorities

GOI guidelines have been scrupulously followed.

5.4 Training

38 numbers of employees have been trained during the period Apr 2020 to Nov 2020 on Technical, Soft and Life Skills.

6. CSR & Sustainable Development

Sl No	CSR Project or activity identified	Sector in which the Project covered	Project or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs sub-heads : (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (Rs in lacs)
1	2	3	4	5	6	7	8
1	Distribution of Rice & Groceries to the downtrodden people in	-	Manali Chennai	-	-	-	0.49

	the neighbourhood of Manali during Covid 19							
2	Distribution of Rice & Groceries to the downtrodden people in the neighbourhood areas of Chennai City during Covid 19	-	Chennai City	-	-	-	1.00	
3	TN Chief Minister's Public Relief Fund for Covid-19						2.00	
4	Supply of Potable water through pipelines to Harikrishnapuram Village (around 500 families)	-	Near Manali, Chennai	Rs.5.43 lacs per annum	Rs.3.16 lacs (Apr-Oct'20)	Rs.3.16 lacs (Apr-Oct'20)	3.16 (Apr-Oct'20)	
5	Wheel chair for Government Stanley Medical Hospital	health	Chennai				1.05	
	Total							7.7

7. Initiatives to improve the performance of the Organization

1	Working with M/s HaldorTopsoe India Pvt Ltd (HTAS) to identify energy improvement schemes to achieve energy target of 6.336 Gcal/MT of Urea.
2	New NPK Train capacity of 3 lac MT/ annum.
3	Installation of 20 MW GTG-HRSG (Gas Turbine – Heat recovery Steam generation) for self-dependency on power and steam with lower cost to improve Plant on-stream factor.
4	Automatic bagging and loading of fertilizer bags to achieve efficiency in bagging and loading operation.
5	A study by Internal Expert Committee on Business Diversification has been taken up to identify suitable product diversification to enhance both revenue and profit of MFL.

PARLIAMENTARY COMMITTEE VISIT DURING Jan '2020 :



7.7 National Fertilizers Limited

1. Brief overview of the organization

NFL which is presently a Schedule 'A' & a Mini Ratna (Category-I) Company was incorporated on 23rd August 1974 and has its Corporate Office at Noida. It has an authorized capital of Rs. 1000 crore and a paid up capital of Rs. 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 at District Guna, in Madhya Pradesh. The company currently has a total annual installed capacity of 35.68 LMT & is the 2nd largest producer of Urea in the country with a share of about 16% of total Urea production in the country.

Besides Manufacturing of Urea, the company also produces four strains of Bio-Fertilizers, Bentonite Sulphur (*a value added product to address the deficiency of sulphur in soil*), 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 in to trading of various agro products such as imported Fertilizers, Certified Seeds, Agro Chemicals, City Compost, Water Soluble Fertilizers etc.

The company is now a multi-product company with Pan India presence under the brand name popularly known in the market as 'KISAN'.

2. Mission/ Vision

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.

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

3. Industrial / Business Operations (Previous year & Current year projections)

3.1 Physical Performance

i. Production Performance:

Production	UM	Annual Installed Capacity	2019-20		2020-21		
			Production	Capacity Utilization w.r.t. Re-Assessed / Installed Capacity (%)	Actual Production up to Oct. 2020	Projection for 2020-21	Projected C.U. (%) w.r.t. Re-Assessed / Installed Capacity
Urea	LMT	35.68*	37.27	115	21.61	37.27	115
Bio-Fertilizers	MT	650	630	97	247	700	108
Bentonite Sulphur	MT	25000	12807	51	7400	20000	80
Nitric Acid	MT	91400#	77814	85	31906	61559	67
Ammonium Nitrate (AN)	MT	118800##	8350	7	5220	17150	14
Sodium Nitrate	MT	1980	1152	58	446	1333	-
Sodium Nitrite	MT	2970	2155	73	771		-
Certified Seeds(Qtls.)- Under SMP	Qtls.	-	188549	-	-	200000	-

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

Installed Capacity of 182800 MT for two streams, however presently only one stream is in operation

Installed Capacity 237600 MT for two streams, however presently only one stream is in operation.

ii. Sales performance:

Marketing/ Sale	Sales during 2019-20	Actual Sales (Apr. - Oct. 20)	Sales Projections for 2020-21
Own Manufactured			
Urea (LMT)	36.08	22.78	37.58
Bio-Fertilizers (MT)	713	131	700
Bentonite Sulphur (MT)	7974	11477	20000
Nitric Acid (MT)	69436	29298	47839
Ammonium Nitrate (MT)	8341	5169	17150
Sodium Nitrate (MT)	1042	499	1333
Sodium Nitrite (MT)	2209	937	
Imported Fertilizers (LMT)			
DAP	6.85	4.00	5.50
MoP	0.74	0.46	1.00
NPK + APS	1.08	1.24	2.00
Total	8.67	5.70	8.50
Urea Govt. A/c (LMT)	11.85	4.73	7.50
SSP (MT)	9767	14951	25000
Compost (MT)	25016	13976	25000
Water Soluble Fertilizers (MT)	237	Nil	33
Calcium Nitrate (MT)	216	Nil	Nil
Seeds (Quintals)			
Domestic Trading	13150	Nil	200000
Own Seeds under SMP	124859	8266	
Agro Chemicals (Kg/ Ltr.)	288214	296729	1000000

3.2 **Financial Performance**

Item	For the year	For the period	Projections
	2019-20	April ~ Sept.'2020	2020-21
Revenue from operations (` Crore)	13135	6006	10890
Profit before Tax (` Crore)	(253)	269	30
Profit after Tax (` Crore)	(171)	198	23

4. **Performance Highlights**

4.1 **Previous Year (2019-20)**

1. Production of Urea: 37.27 LMT [CPLY of 38.59 LMT], Capacity Utilization of 115.35%.
2. Nangal Unit achieved ever lowest energy consumption.
3. Ever best sale of all Fertilizers: 57.03 LMT [CPLY of 48.95 LMT]
4. Ever best Revenue from Operations INR 13135.36 crore [CPLY INR 12429.13 crore]
5. Ever best Sale of Urea (own manufactured and Imported Urea on Government Account) of 47.93 LMT (CPLY 42.68 LMT)
6. Ever best sale of traded fertilizers DAP/ MOP/ APS / NPK / Water Soluble Fertilizers / Calcium Nitrate / Compost / Imported Urea (Govt. A/c) / SSP: 20.87 LMT [CPLY 9.89LMT]
7. Sale of Compost, Bentonite Sulphur, Bio-Fertilizers and SSP (Plain and Powder) of 0.43 LMT (CPLY 0.29 LMT)
8. EBITDA of INR 859.54 crore (CPLY of INR 1013.24 crore)
9. Profit of INR 136.14 crore (before Exceptional Item of INR 388.85 crore) (CPLY of INR 463.37 crore)
10. PBT after exceptional item i.e. Loss of INR 252.71 crore (CPLY: Profit of INR 463.37 crore)
11. PAT after exceptional item i.e. Loss of INR 171.01 crore (CPLY of INR 298.45 crore).
12. Commissioned Seeds Processing Plant at Bathinda Unit.

Current year (2020-21) as on 30-11-2020

- ✓ 25.00 LMT of own Urea produced at plants.
- ✓ 9073 MT of Bentonite Sulphur produced at Panipat Unit.

- ✓ 297 MT of Bio-Fertilizers (4 Strains) produced at Vijaipur Unit
- ✓ Sale of fertilizers of 39.02 LMT (includes 26.05 LMT of own Urea, 6.22 LMT of imported Urea in Govt. A/c and 6.75 LMT of non-Urea Fertilizers).
- ✓ Produced & sold Industrial Products to the tune of 46737 MT & 45436 MT.
- ✓ Commissioned Seeds Processing Plant at Panipat Unit.

Obtained NABL accreditation for the Laboratory at Panipat Unit.

5. New Investments / Projects

Under implementation / Envisaged:

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 Rs. 6121 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 zero date of the project was 25-09-2015 and was scheduled to be completed within 36 months from the zero date. As on 31-10-2019, physical progress of the project was 98.5% against of 100%. At present, project is delayed by around 18 months. Delay is primarily due to time taken by EIL to float tenders after finalization of equipment specifications & commercial conditions, delay in execution of Gas pipeline by GITL and delay in water / power connectivity by Govt. of Telangana. Monitoring at various levels including Department of Fertilizer is being carried out to avoid further delay and early completion of the project. Project is now expected to be commissioned by January 2021.

b) Implementation of Integrated Energy reduction schemes at Panipat, Bathinda & Nangal under NUP-2015 with estimated cost of Rs. 675 crore. Expected to be commissioned by mid January 2021 at Bathinda and by Feb/March 2021 at Nangal and Panipat.

c) Energy reduction schemes at Vijaipur I and II Units with estimated cost of Rs. 235 crore. Part of the scheme at Vijaipur-I completed in Oct 2020 and balance will be completed by June 2021

d) Agrochemical plant at Bathinda Unit for production of farm insecticides. Plant design is under finalization. NIT is being prepared by Bathinda Unit for lining up of plant supplier for supply of various agrochemicals train / plant

e) Seed Processing Unit at Panipat, Bathinda & Indore (20000 quintals/ Annum for each Unit).

f) Setting up of NABL accredited laboratories at Panipat & Vijaipur.

g) Revival of 2ndStream of Nitric Acid plant at Nangal.

5.1 Revival of sick / Weak Units- Status / Action plan

As mentioned above, NFL is already reviving closed Urea plant of FCIL at Ramagundam through Joint venture entity viz. Ramagundam Fertilizers & Chemicals Limited (RFCL) which is likely to be commissioned by January 2021

6. Human Resource Management

6.1 Manpower

Manpower as on 31-03.2020:

Group	Total number of Employees	Number of SC / ST / OBC / EXSM / PH				
		SC	ST	OBC	EXSM *	PH**
A	1471	287	76	179	1	5
B (Officers)	146	35	15	9	0	2
B (Workers)	1101	303	67	100	7	9
C	542	89	35	155	14	29
D	34	13	0	9	0	0
D (SafaiSewaks)	45	45	0	0	0	0
Total	3339	772	193	452	22	45

Manpower as on 31.10.2020:

Group	Total number of Employees	Number of SC / ST / OBC / EXSM / PH				
		SC	ST	OBC	EXSM *	PH**
A	1484	284	72	183	1	8
B (Officers)	122	35	16	10	0	1
B (Workers)	1045	285	57	97	6	10
C	530	88	31	156	11	31
D	33	12	0	9	1	0
D (SafaiSewaks)	40	40	0	0	0	0

Total	3254	744	176	455	19	50
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* *EXSM – Ex- Servicemen* ** *PH – Physically Handicapped*

7. Grievance redressal

A “Grievance Redressal Cell’ for employees is functional at NFL, Corporate Office & at all the Units. During 2018-19, 33 grievances were received & resolved. For registration of grievances through online mode, every client / customer can upload their grievances through CPGRAMS at <http://pgportal.gov.in> or can give their feedback online in our feedback section at NFL website www.nationalfertilizers.com.

6.2 Welfare of Minorities

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

6.3 Training

- During 2019-20, 12149 man-days training were imparted to employees and 924 man-days training imparted to women employees (included in 12149 man-days) i.e. 3.65 man-days training to each employee.
- In the fiscal year 2019-20, in the training centers, we have imparted 334 nos of in house Training Programme to employees through Internal and External faculty in our plants, Zonal Offices and Corporate Office.
- Employees were deputed to 62 Nos External Training Programme in Centers of Excellence such as IIM, AIMA, TISS, VVGiri National Labour Institute for Capacity Building and also reputed training institutes like FAI, SCOPE, NPC, ICSI, CII, ISTM and NAHRD.

6.4 CSR & Sustainable Development

Corporate Social Responsibility

Company is implementing various developmental activities under its Corporate Social Responsibility (CSR). In the year 2019-20, the focus of CSR activities of the Company was on the themes given by Department of Public Enterprises (DPE) i.e. Health, School Education and Nutrition. During the year 2019-20, the allocated CSR budget was INR 7.5 crore and incurred an expenditure of INR 5.75 crore towards various CSR activities such as sanitation, installation of solar lights & panels, environment & disaster management.

One of the major CSR project the Company undertook was “Improvements to Channenhalli Tank at Channenhalli Village, Bangalore Urban District” at a budget of INR 3.00 crore for the sustainable development of the village.

Under health Programme, Company organized free health checkup camps for school children. For women, free screening programmes were organized for early detection of cervical cancer with emphasis on general awareness and education on menstrual hygiene. These projects were executed in Delhi, NCR areas. In addition to these, all the Units organized health camps for the welfare of people living in the vicinity of the Plant. Panipat Unit organized bi-monthly health clinic in a nearby NangalKheri village, which was deprived of basic medical facilities. These clinics were organized with the help of Company's doctors & medical staff. Free medicines were also distributed in these clinics. These clinics were to continue for the whole year. Similarly, Vijaipur Unit organized cancer screening and awareness camps for the surrounding communities in district Guna in Madhya Pradesh.

In the area of education, all the Units of the Company have supported government schools in their vicinity through provision of essential materials and infrastructure. Nangal Unit provided school desks & benches, fans, water coolers, water purifiers etc. to government schools in Nangal, Punjab. The Panipat Unit has installed smart classrooms in 14 government schools in the district.

The Company also supported State Governments in Disaster Management by contributing through various initiatives for relief works during Punjab floods, cyclone "Fani" in Odisha and floods in Assam. The Company also contributed INR 63.94 Lakh towards PM CARES FUND to support Government's efforts for prevention of CoVID-19 pandemic.

Company has also taken up CSR activities in the Aspirational districts, particularly in Mewat (Haryana) and Guna (Madhya Pradesh).

Sustainability Development

- ✓ The company has a full-fledged sustainable development policy to have a consistent & controlled approach on this front.
- ✓ Afforestation has been adopted in all units to improve the environment. A total of 12465 tree saplings were planted in and around various units during 2019-20 for cleaner and greener earth for future generation. The cumulative plantation since commencement is about 8.59 lakh for all the units.
- ✓ NFL is in the process of installing GTG (Gas Turbo Generator) along with heat recovery steam generation (HRSG) at Nangal, Bathinda & Panipat Units. After successful commissioning of GTG-HRSGs, these Units will operate with reduce energy consumption and with lower CO₂ emission.
- ✓ During 2019-20 about 14516 conventional lights were replaced with ecofriendly LED lights in NFL units. All the Units of NFL now converted their conventional lightings in to LED lights.
- ✓ To ensure affordable, reliable, sustainable and modern energy for the community, solar street lights have been installed in nearby villages of all NFL Units.
- ✓ NFL is committed to Government of India's dream of Swachh Bharat Mission by sale of 25035 MT of city compost sourced from manufacturers located in various states during 2019-20. Beside this Vijaipur Unit of NFL produces compost from the

biodegradable waste and is being used as environment friendly manure with in the Unit premises in horticulture. City Compost is a soil conditioner which is produced out of bio-degradable waste. Compost from city garbage would not only provide carbon and primary/secondary nutrients to soil but also help in keeping the city clean. NFL is further working to increase trading business in this field..

6.5 Initiatives taken to improve the performance of the organization

- Trading of new molecules of Agrochemicals.
- Import & sale of Water Soluble Fertilizers and Calcium Nitrate.
- Production & sale of Zinc Solubilizing Bacteria based Bio-fertilizers.
- MoU signed with BVFCL for sale of Urea in Assam & other North East regions thereby making the company, a Pan India company.
- Exploring sale of Bio-pesticides.
- Implementation of ERP at NFL under progress.
- Proposal submitted for grant of Navratna status to NFL.
- Rationalization / Recruitment of manpower to mitigate risk due to attrition of manpower owing to massive retirements.

7. Photographs depicting major events / activities of the Plants/Company



Shri VirendraNathDatt, C&MD greeting Shri D.V. Sadnanda Gowda, Hon'ble Union Minister of Chemicals & Fertilizers during his first meeting after taking over the additional charge as C&MD, NFL



Shri VirendraNathDatt, C&MD welcoming Shri Mansukh Mandaviya, Hon'ble Minister of State for Chemicals & Fertilizers and Shipping (IC) on his arrival at NFL Panipat Unit

\Shri Nirlep Singh Rai, Director (Technical) greeting Shri Mansukh Mandaviya, Hon'ble Minister of State for Chemicals & Fertilizers and Shipping (IC) upon his visit to NFL Panipat Unit





Hon'ble Minister of State interacting with C&MD, Director (Technical) and Unit head during plant visit at Nangal



Hon'ble MoS distributing Soil Health Cards to farmers during his visit to R&D farm of NFL Nangal Unit



Shri VirendraNathDatt, C&MD, NFL exchanging the MoU documents for the year 2020-2021 with Shri ChhabilendraRoul, Secretary (Fertilizers) after the signing of MoU on 09.11.2020 at ShastriBhawan, New Delhi. Under the MoU, NFL has set a target to achieve higher market share in 2020-21. Shri Dharam Pal, Addl.Secretary (Fertilizers) and Shri Y.P. Bhola, Director (Finance), NFL were also present on the occasion.



Shri VirendraNathDatt, C&MD receiving the Swachhta Award from Secretary (Fertilizers) for innovative and effective activities during SwachhtaPakhwada, 2020



A view of farmer Training Programme organized by NFL, Area Office Jabalpur, M.P.



A view of demonstration plot in a village in Dist. Rohtak, Haryana



NFL, Nangal Plant



NFL, Vijaipur Plant



NFL, Bathinda Plant



NFL, Panipat Plant



Workers using mask while handling, loading and unloading of Kisan Urea at the railway rake point



NFL mobile Soil Testing Lab

7.8 Projects & Development India Ltd. (PDIL)

1. Overview

Projects & Development India Ltd. (PDIL) is **an ISO 9001:2015 & OHSAS 18001:2007 Certified as well as ISO/IEC 17020: 2012 Accredited and a Mini Ratna, Category-1** Govt. of India Undertaking under Department of Fertilizers, Ministry of Chemicals and Fertilizers. PDIL is a premier Consultancy & Engineering Organization which has played pivotal role in the growth of Indian Fertilizer Industry.

With over six decades of experience, PDIL

- provides Design, Engineering & related project execution services from Concept to Commissioning in the Fertilizer sector;
- provides services in other sectors like Oil & Gas, Refinery, Chemicals, Infrastructure, Offsite and Utilities;
- is an approved Third Party Inspection agency and undertakes works of Third Party Inspection and Non-Destructive Testing (NDT).

The authorized Share Capital of the company is Rs. 60 crore and Paid up Capital is Rs. 17.30 crore as on 31.03.2020.

2. Vision/Mission

Vision

To be a leading Engineering and Project Management Consultancy organization

Mission

- To create and deliver integrated techno-commercial solution optimum in cost, quality and time to all customers.
- To pursue relentlessly world class quality in engineering consultancy and project management by imbibing best practices.
- To develop, upgrade and improve the manufacturing process of Catalyst and other products in line with the ever evolving need of customers.

3 Industrial /Business Operations:- NIL Production

3.1 Financial Performance:

Rs in Crore

Parameter	For the year 2019-20	For the period April to September 2020	Projection 2020-21 (RE)
Turnover	142.16	47.40	144.50
Profit Before Tax (PBT)	45.86	2.51	27.97
Profit After Tax (PAT)	31.83	1.88	20.93
Dividend Payout	9.55*		

* Proposed Dividend of Rs 9.55 crore for the year 2019-20 subject to approval of shareholders at the AGM

During the year 2019-20, Directors have recommended to declare Dividend of Rs552.07 i.e @ 55.20% per equity share amounting to Rs 9.55 crore subject to approval of shareholders at the AGM. The Company had paid highest Dividend of Rs 682.14 i.e. 68.21% per equity share amounting to Rs. 11.80 crore (i.eRs 9.11 crore + Rs 2.69 crore) for the year 2018-19 which included Dividend of Rs 2.69 crore for the year 2017-18.

4 **Performance Highlights**

4.1. **Previous Year & Current Year –**

The Company has achieved total turnover of Rs.142.16 crore in 2019-20 as against Rs.131.50 crore in the previous year ,i.e., a net increase of Rs 10.66 crore. **The company achieved highest ever Revenue from Operations of Rs.133.01 crore in 2019-20 as against earlier highest in previous year of Rs. 116.50 crore.** There is 14.18% increase in Revenue from Operations over previous year.

The Company has earned Profit Before Tax (PBT) of Rs. 45.85 crore in 2019-20 which is highest ever in the history of PDIL. The earlier highest PBT was Rs.38.27 crore in the year 2011-12. The company has also earned highest ever PAT of Rs. 31.83 crore in 2019-20 against the earliest highest in financial year 2018-19 of Rs. 30.36 crore.

4.2 **New Investments/Projects**

- EPCM / PMC Services for Ammonia-Urea plant at Namrup (Namrup-IV) for M/s Brahmaputra Valley Fertilizer Corporation Limited, Namrup
- EPCM / PMC Services for upcoming Ammonia/Urea/other Projects abroad likely in Bangladesh / Iraq / Algeria / Nigeria / Oman, etc
- Consultancy Services for Coal / Lignite to Methanol Projects in India
- Consultancy Services for Revamp / Expansion/ residue up-gradation projects of refinery clients like IOCL, BPCL, and HPCL etc

5. **Human Resources**

5.1 **Manpower**

The category wise details of employees as on 31.03.2020 is as follows:-

EMPLOYEE STRENGTH AS ON 31.03.2020				
(REGULAR INCLUDING MANAGEMENT TRAINEES)				
Category	Total MIP	SC	ST	OBC
A	334	52	19	76
B	22	06	01	05

C	08	01	0	0
D	0	0	0	0
Total	364	59	20	81

5.2 Grievance Redressal

In PDIL, Grievance Cell has been set up in the offices of the Unit Heads of the respective unit i.e. Noida, Vadodara and Sindri. A box for grievance has been put up in the respective Unit premises for Public which is being opened regularly by the Grievance Redressal Machinery. As on date there is no grievance is pending with PDIL. Grievances Redressal Mechanism has also been displayed in our website.

5.3 Welfare of Minorities

Due care is being taken of minorities candidates at the time of recruitment in line with Govt. Guidelines issued from time to time.

5.4 Training

PDIL has identified training as an integral tool for skill and personality development for the officers & employees of the company at all locations across all levels. Training was also arranged on soft skills by inviting well known professionals from leading management academy & business centers. In addition to in-house training, employees were also nominated from time to time for attending external Training/ Workshop and Seminar.

5.5 CSR & Sustainable Development

The CSR activities of PDIL have been pursued as per the guidelines laid down by the Government. The CSR policy reflects the company's commitment to operate in an economically, socially and environmentally sustainable manner by undertaking CSR projects towards education of under privileged children, health awareness and upliftment of physically challenged persons.

PDIL has undertaken CSR activities towards funding the construction of for seven (07) toilets and a security post in a new hostel building being constructed for the development of hundred (100) under privileged children in a remote village. A medical camp was organized wherein free general health check-up was conducted and 108 villagers benefitted from free medical consultation and distribution of medicines. Support to ten (10) physically challenged persons was also provided by distributing tricycles.

Projects valued Rs. 4.1 lakhs were approved under the CSR budget during the year 2018-19. All the CSR projects have been completed and the sanctioned amount disbursed.

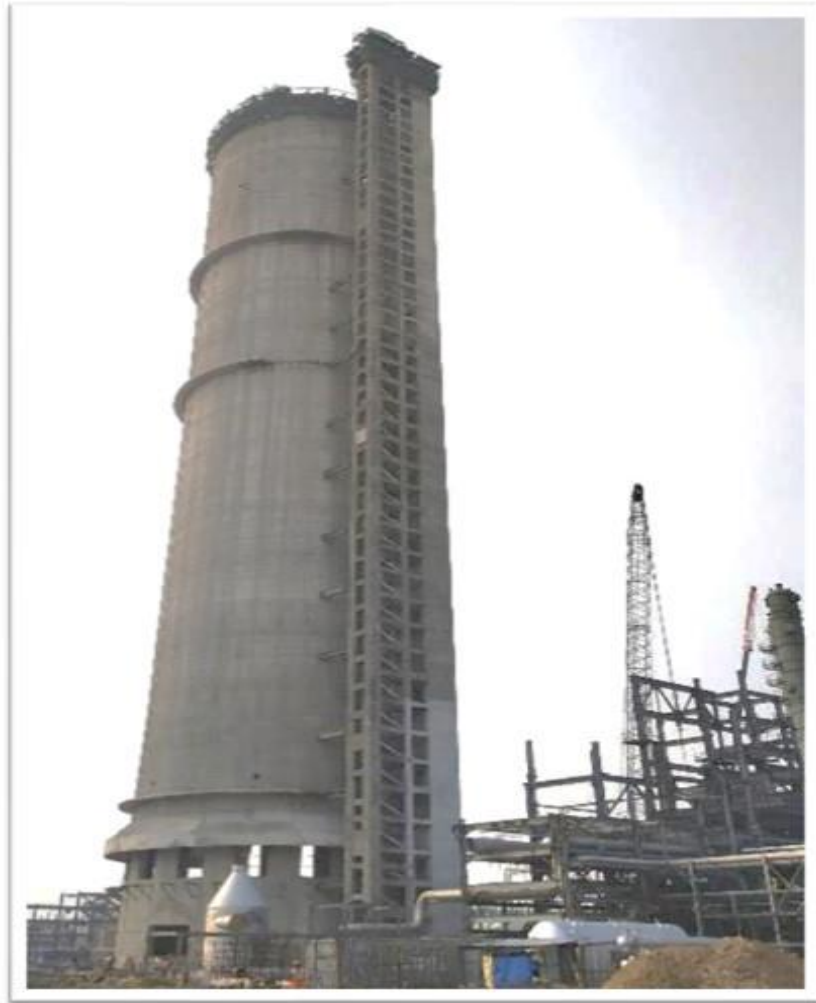
5.6 Initiatives to improve the overall performance of the organization:

Following initiatives have been taken by PDIL to improve the overall performance of the organization:

- i) Efforts made for improvement of the business position
 - Secured major order worth INR 82.10 Crore from TFL for Project Management Consultancy (PMC) services for Talcher Fertilizer Project
 - Bids submitted to M/s Bangladesh Chemical Industries Corporation (BCIC), Bangladesh for Consultancy Services for Implementation of GhorasalPolash Urea Fertilizer Project
- ii) Making continuous efforts to execute the awarded projects as per prescribed timelines
- iii) Trying to control the Expenditure wherever possible without affecting revenue generation of the company (Unit level and Corporate Level committees are in place to monitor the expenditure)
- iv) Encouraging paperless working within PDIL as well as with the clients/ vendors/ contractors etc.
- v) Efforts are being made towards recovery of payments in time



HURL-Gorakhpur-Urea Cooling Tower



HURL-SINDRI –Prilling Tower



TFL -Electrical Substation for Const.Power



HURL-Barauni- Ammonia Storage Tank



HURL-Barauni-Urea Piping Errection

7.9 RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED (RCF)

1. Brief Overview of the Organization:

Rashtriya Chemicals and Fertilizers Limited (RCF) was incorporated as a separate company on 6th March 1978 as a result of reorganization of the erstwhile Fertilizer Corporation of India Limited (FCI). The company has an authorized share capital of Rs.800 Crore and a subscribed and paid up capital of Rs.551.69 Crore. Government holding in the company stands at 75%. At the time of its inception, Company had only one unit at Trombay. In 1985, another unit of RCF was established at Thal-which is about 100 KM from Trombay. RCF is having several products in its portfolio such as Urea, Complex Fertilizers, Bio-fertilizer, Micro Nutrients, 100% Water soluble fertilizers and an array of Industrial chemicals.

2. Vision and Mission of the Company:

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 (Previous Year & Current year projections)

3.1 Physical Performance:

Production	Installed Capacity (MTPA)	2019-20 (Previous Year)		2020-21 (Current Year)		
		Production	Capacity Utilization	Production till Oct 2020	Projected production for 2020-21	Projected Capacity Utilization
Urea at Trombay	3,30,000	3,25,873	98.75	2,24,664	3,60,000	109.09
Urea at Thal	20,00,000	20,21,950	101.10	10,73,470	19,50,000	97.50
Total Neem Urea	23,30,000	23,47,823	100.76	12,98,134	23,10,000	99.14
Complex Fertilizer						
Suphala(15:15:15)	4,20,000	5,70,907	135.93	3,07,235	5,71,000	135.95

**ANP (Suphala 20:20:0) plant remained under shut down from Dec 2015 on account of economic unviability.*

RCF also produces Bio-fertilizers (Biola), Micronutrients and 100% Water Soluble fertilizers. In the year 2019-20, 106.20 KL of Biola, 237.98 KL of Microla and 3956 MT of 100% Water soluble Fertilizer (Sujala) is produced. Production of these specialized fertilizers is done as per the market demand.

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

As a response to National vision of “AtmaNirbhar Bharat”, production of Methanol plant is restarted from Sept 2020. Also the production of other industrial chemicals like AN melt, Ammonium Bicarbonate, Nitric Acid is optimized to meet the domestic requirement. Production of Ammonia I plant at Trombay unit is also started from October 2020 to meet the in house demand of Ammonia. Along with meeting the in-house requirement, restarting of Methanol and Ammonia I plant at RCF Trombay unit also helps to reduce import of these chemicals.

Sales:

Marketing	Sales in 2019-20 (LMT)	Sales upto Oct 2020(LMT)	Sales projection for 2020-21(LMT)
Urea	23.57	13.12	23.07
Suphala (15:15:15)	6.08	2.99	5.67
Trading of fertilizers (DAP, MoP, imp NPK, Compost Fertilizer, SSP and Ammonium Sulphate etc.)	3.34	2.45	3.49
Biola	128 KL	56.95 KL	100 KL
Microla	269 KL	251.44 KL	275 KL
100% Water Soluble Fertilizer	4424	5157	5400

3.2 Financial Performance:

(Amt in Rs Cr.)

	For the year 2019-20	For the period April to Sept 20	Projection for 2020-21
Turnover (Rs. Crore)	9697.95	3937.99	8348.40
Profit before Tax (Rs. Cr)	202.93	166.71	287.74
Profit after tax (Rs. Cr)	208.15	123.02	215.32

4 Performance Highlights:

4.1 Previous Year & Current Year:

The major achievements in the year 2019-20:

- i. **Commissioning of New Sewage Treatment Plant:** New Sewage Treatment plant with sewage treatment capacity of 22.75 MLD commissioned successfully & dedicated to the Nation on 27th Dec 2019.

- ii. Production of DMF plant restarted on 31st July 2019 after a gap of about 4 years.
- iii. **Expanding the product basket:** As the result of sustained efforts in Research & Development, RCF has launched 2 new products during the year - Organic Growth Stimulant and Soluble Silicon Fertilizer. Organic Growth Stimulant, is an organic product which promotes integrated nutrient management system, enhances yield and enhances the effectiveness of conventional mineral fertilizers. Soluble Silicon Fertilizer, a mixture of Silicon and Potassium which enhances plant resistance and tolerance to various biotic and abiotic stresses.
- iv. Yearly highest ever Suphala (15:15:15) production of 5.71 LMT is achieved. (Previous best being 5.61 LMT in the year 2018-19).
- v. Yearly highest ever Suphala (15:15:15) dispatch of 5.71 LMT is achieved. (Previous best being 5.69 LMT in the year 2018-19).
- vi. Yearly highest ever sale of 40,329 MT City compost is achieved. (Previous best being 35,620 MT in the year 2018-19)

Performance Highlights in the year 2020-21:

- i. In spite of the challenges imposed by the COVID 19 pandemic, all fertilizer plants at RCF Thal and Trombay Unit are operated at normalcy by following all the directives issued by Government from time to time. The continuous operation of fertilizer plants ensured the timely availability of fertilizers to the farmers in this pandemic situation.
- ii. For the safety of farmers during the COVID pandemic, RCF Fertilizers are being delivered at the farm boundary.
- iii. Industrial Chemical plants are operated at optimum level depending upon market demand.
- iv. **Restarting of Methanol Plant:** As a response to Hon'ble Prime Ministers "AtmaNirbharAbhiyan", production of Methanol plant restarted from 08th Sept 2020 at its Trombay Unit. The plant under shut down due to economic unviability since Nov 2018.
- v. **Increased Complex Fertilizer (NPK 15:15:15) Production:** At RCF Trombay Unit, Ammonium Nitro-phosphate plant (ANP 20:20:0) remained under shut down since Dec 2015. With all-round efforts, the idle infrastructure of ANP plant is utilised to produce additional Complex Fertilizer (Suphala15:15:15). Average daily Suphala (15:15:15) production is increased by about 325 MTPD.
- vi. **Hand sanitizer for in house use in RCF factory and offices:** In view of outbreak of COVID 19 pandemic, Iso Propyl Alcohol based hand sanitizer is prepared through efforts of our Research and Development (R&D) team for our employees. It is being given for In-house use in RCF factory and offices including CISF, located at Trombay.
- vii. **IPA based hand cleansing gel:** RCF also introduced IPA based hand cleansing gel in the market. The product is introduced in the current situation to help in controlling the spread of the current pandemic.
- viii. Daily highest Suphala (15:15:15) production of 2440 MT was achieved on 21st Aug 2020. Previous best being 2340 MT on 06th Feb 2020.
- ix. Daily highest Ammonium Nitrate sale of 637.87 MT achieved on 11th Nov 2020. Previous best being 625.08 MT on 29th Oct 2020.

- x. Monthly highest Ammonium Nitrate sale of 16561 MT was achieved in the month of Nov 2020.
- xi. RCF has recorded highest ever daily sale of Industrial Products of Rs 5.44 Cr on 18th Nov 2020.

Hon'ble Union Minister of State for Ports, Shipping & Waterways (Independent Charge) and Chemicals and Fertilizers, Shri Mansukh Mandaviyaji dedicates RCF-BPCL Sewage Treatment Plant to the Nation.



RCF has been conferred with best PSU for “SwachhataPakhwadas for the year 2019” for its performance and activities undertaken during SwachhataPakhwada Celebration.



RCF Trombay Unit receives, prestigious FAI Award for best production performance in Complex Fertilizers for the year 2018-19.



RCF Thal Unit receives, FAI Award for Excellence in Safety for the year 2018-19



RCF has been conferred with “Governance Now 7th PSU Awards” in the category of “Reskilling of Employees”.



RCF receives “Recognition of WIPS Activities Award” by Forum of Women in Public Sector (WIPS) (under the aegis of SCOPE) for its contribution towards Activities of Women in Public Sector.



4.2 New investment/projects

Projects under execution

Schedule of projects under implementation is being hampered due to lockdown owing to COVID-19 pandemic outbreak. The movement of project related foreign personnel is also restricted due to COVID-19, resulting in further delays.

- **Gas Turbine at Trombay:** To meet the New Energy norms, RCF is installing Gas Turbines Generator (GTG) of 2 x 25 MW along with Heat Recovery Steam Generator (HRSG) of 2 x 65 MTPH capacity at RCF Trombay Unit. This project aims to reduce

the specific energy consumption in Ammonia and Urea Plants at Trombay. The project is under pre-commissioning stage and expected energy saving of 0.30 Gcal/MT of Urea. Commissioning of both GTG is expected to be completed by end of February 2021.

- **Trombay Urea-V Plant Revamp (Casale Scheme):**Urea-V plant revamp scheme is based on End-to-End survey conducted by M/s Casale SA, Switzerland. The project has been taken-up to achieve production to the tune of 1350 MTPD on sustained basis with reduction in energy consumption.

The revamp scheme is envisaged to result in energy saving of 0.19 Gcal/MT of Urea. The schemes in Casale Revamp are partly implemented in May 2019. Hookup of the remaining equipment is in progress and expected to be completed by end of Dec 2020.

- **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. It includes replacement of heat exchangers in convection zone, drive turbine retrofitting of Synthesis Gas Compressor (SGC), ID Fan and provision of Ammonia dehydrator in synthesis section. The scheme is envisaged to result in energy saving of 0.25 Gcal/MT of Ammonia and expected to be completed by Oct 2022.
- **New motor driven ARC compressor:**Replacement of ammonia refrigeration compressor with motor driven compressor in Thal Ammonia plant. It is part of already implemented GTG-HRSG project. Expected energy saving is around 0.05 Gcal/MT of Urea energy& commissioning is expected to be completed by March2021
- Replacement of P-1 pump Torque Convertors with VFD in Thal Urea plant is expected to give energy saving of 0.012 Gcal/MT of Urea.& expected to be completed by March 2021

4.3 Revival of sick/weak Units-Status /Action Plan.

- **Talcher Fertilizers Limited:**

Under the scheme of revival of sick Fertilizer Units, RCF has been nominated by the Department of Fertilizers to be one of the three partners to revive Fertilizer Corporation of India (FCI) Unit at Talcher, Orissa through Coal Gasification route as the feedstock. The production capacity is comprising of 2200 MTPD Ammonia plant and 3850 MTPD Urea plant.

Land and certain facilities needed for the project are provided by FCIL. The project will utilize state-of-the-art Coal Gasification Technology from M/s Air Products (erstwhile M/s Shell Eastern).

The estimated Project capital cost is approx. Rs. 13,277 Crore (RCF share is Rs. 1,184 crore on account of proposed equity participation). Letter of Intent (LOI) for Coal Gasification and Ammonia-Urea Plants was placed on M/s Wuhuan on 11th Sept & on 19th Sept 2019 respectively.

Other site activities are in progress. 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 RLNG imports. It will also help in meeting much needed Urea production capacity for the eastern part of the Country.

- **Revival of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) Namrup Unit :**

The revival of BVFCL Namrup Unit is proposed to be carried out by JV of NFL (35%), Oil India Ltd. (26%), RCF (17%), BVFCL (11%) and Govt. of Assam (11%). The proposed project entails setting up a Urea plant with an annual capacity of 1.27 Million MT. The estimated Project Cost is approx. Rs. 7628 Crore. The feasibility study for the project is being carried out by PDIL.

5 Human resources Management:

5.1 Manpower: No of Employees as on 1st October 2020:

Group	Total as on 01.10.2020	SC	ST	OBC	PWBD	Ex-Servicemen	Minority
A	1381	235	71	215	14	0	79
B	826	99	80	99	3	0	42
C	606	87	58	166	21	3	38
D	17	3	2	9	1	0	3
Total	2830	424	211	489	39	3	162

Employment of SC/ST, Ex-service Men, Persons with Benchmark Disabilities & other Backward Classes:

The guidelines regarding reservation in Recruitment and Promotion for SC, ST, OBC, Ex-Servicemen and Persons with Benchmark Disabilities (PWBD) are strictly followed. Out of total strength of 2830 there are 424 SC, 211 ST, 489 OBC, 3 Ex-Servicemen and 39 PWBD on the rolls of Company.

5.2 Grievance redressed

- A Grievance Redressal System online/offline is developed by the Company in issues related to staff. A statutory Grievance Redressal Committee has been formed containing equal representatives of Management and Workmen for redressing the grievances of Workman. For the public grievances, the company has initiated “Online Grievance Registration system” on the company’s Website. Any aggrieved citizen can approach

the Company through a number dedicated for the grievance registration in HR Department which is 25522020.

- **SC/ST Grievance Cell:** All reserved category employees can anytime seek help/advice of Liaison Officers for resolving their grievances. A register is maintained for registering grievances of SC/ST employees by Liaison officers. The grievances are resolved expeditiously. The Grievance redressal cell of the company takes care of grievances of all employees including employees of SC/ST category. SC/ST employees can also register their grievance in a register maintained under grievance handling procedure for all employees.
- **Sexual Harassment Cell:** RCF has constituted Internal Complaint Committee (RCF ICC) as per Section 21(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaint Committee investigates all the complaints of sexual Harassment received from female/male at workplace directly or through Management and submits its report to the Management. The Cell submits its Annual Report to the Concerned Authority as per the provisions of Sexual Harassment at Workplace Act, 2013. A declaration as required under the Act is also included in the Annual Report of the Company.

5.3 Welfare of Minorities

Welfare Measures:

- **Implementation of the National policy for Persons with Disabilities (PWD):** RCF takes due care to implement the policies regarding people with disabilities. A Reservation Roster is maintained for PWD as per the rules in this regard. A separate Liaison Officer has been appointed for implementation of the policy for PWD.
- **Welfare of Minorities and Reservation in Dealership:** RCF as a policy includes representative of the Minorities in the Recruitment Selection Boards to ensure that the Minorities get adequate share in the services.
- Efforts and initiatives taken for the Welfare, Development and Empowerment of Women and for mainstreaming gender issues. Opportunities for growth, training, challenging jobs, learning are equally available to both men and women employees of RCF. Women represent in fair numbers in the batch of Apprentice/Operator Trainees in technical areas.
- Women are working in technical / non-technical / managerial positions and some of them have risen to the level of top management positions in the organization. Welfare and employee benefit schemes are equally applicable to male and female employees of RCF.
- RCF is the pioneer in issuing 'Policy on Zero Tolerance to Sexual Harassment at Workplace and 'Policy on Gender Equality'. Internal Complaint Committee (ICC) has

been formed in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Gist of the Committee's Report is published in Company's Annual Report.

- All the benefits in accordance with the legal requirements such as Maternity Benefits, Nursing Breaks, etc. are given to women employees. Special Medical check-ups/camps for ladies are conducted. In addition to this, Maternity Leave has been extended upto 180 days, leave for miscarriage or medical termination of pregnancy is allowed upto 45 days. Child Adoption leave to female employee is allowed upto 90 days.
- RCF is one of the pioneer members in the Forum of Women in Public Sector (WIPS) since its inception (1990). It is a corporate member of this forum and has been representing in all activities of the forum with total support and participation in all activities.

To strengthen this initiative, the company has its Gender Equality Policy and Gender Budget has been provided for the activity of Gender Mainstreaming.

5.4 Training

Training programs are organized regularly for imparting knowledge about plant operation, plant processes and maintenance, safety aspects for Diploma/B.Sc. students. Various skill development initiatives of RCF are as follows:

- **NSDC courses:** RCF has been certified as an Authorized Training Provider and has also received Certificate of Membership from Sector Skill Council, Instrumentation Automation Surveillance and Communication (IASC) Sector Skill Council nominated by NSDC under Skill India Mission, Ministry of Skill Development MSDE for conducting two courses Industrial Automation Specialist and Instrumentation Technician Control Valve. Three batches of Instrumentation Technician Control Valve and one batch of Industrial Automation Specialist have been conducted so far since November 2018 till date. Due to COVID-19 pandemic situation, for the year 2020-21 further batches of the course have not been conducted. The courses will be started soon as per guidelines issued
- **Fire Fighter Course:** RCF has been affiliated as Vocational Training Institute for imparting training for the "Fire Fighter" course by Maharashtra State Council of Vocational Training (MSCVT). The model curriculum for the course "Fire Fighter" is approved by Management, Entrepreneurship and Professional Skills Council (MEPSC) Sector, NSDC under MSDE. The course is of 4 –month's duration. One batch of the Fire fighter course was conducted from 3rd October 2019 onwards and completed successfully..

- **Apprentices Training:** As per Act Apprentice Act, apprentices are engaged regularly and provided apprenticeship in structured training format. For newly recruited apprentices at the operator/technician, supervisory and junior executive level rigorous training is given. Almost all the manpower needed for the organization is met by recruiting fresh persons and subjecting them to pass through this training phase. As on date, RCF has engaged 247 apprentices in technical as well as non-technical trades since April 2019 till date. The apprentices training was interrupted due to lockdown from 25th March 2020 and resumed from 17th August 2020. During this period, the stipend was paid to apprentices as per notification from Apprenticeship Board.
- **Adoption of local ITI to develop plant specific training module:** In 2019, one-week development program was conducted from 18th November 2019 to 23rd November 2019 for 52 students of Attendance Operator Chemical Plant (AOCP) , Mechanical Maintenance (MM) & for Instrument Mechanic (IM) trade apprentices. For the year 2020-21, the program is scheduled from 21st December -26th December 2020
- **Short Term Skill Development Programs:** RCF has signed MoUs with various professional institutes and academic institutes for providing industry training during their summer and winter vacations for 15 days/ 1 month or more. Academic Institutes send their students for these training programs. RCF has conducted 52 short term training programs for 1052 students in 2019-20.
- **Industrial training:** Industrial training of 1 -2 months is provided to students undergoing graduation/ under graduation which enhances their knowledge of industrial working and processes. RCF has provided vocational training to 929 students in 2019-20.
- **RPL 4.0:** In compliance to CPSE Conclave NewIndiaVision2022, % of certified skill holders of RCF employees through RPL4 has increased from 0 % in 2018 to 57.71% as on 08.12.2020. 1627 employees have participated in RPL 4.0. Even Senior officials obtained the certificate. RCF is the first PSU to implement RPL4 amongst CPSU.
- **Webinars:**For the year 2020-21, RCF has adopted webinar as a new method of providing technical updates to our employees. This was to ensure safety of employees. The webinars were followed by online quiz and feedback to be filled by participants of the webinar.
- **Supervisory Development Program by Board of Apprenticeship Training (BOAT-WR):** “Supervisory Development Program” was organized by RCF& Board of Apprenticeship Training (WR) for 95 Apprentices from RCF, HPCL &BPCL from 8th to 10th May , 2019 at RCF Training Center to increase their employ-ability. The programme for the year 2020-21 is scheduled in second week of February 2021.

6 CSR & 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 and education aimed for the benefit of needy and for general good of the society. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR policy. RCF has spent Rs.3.88 Crore on CSR activities in the year 2018-19. The activities, in brief, are as under:

- **Scholarship to SC/ST students:** RCF offers scholarships to school students of SC / ST/ OBC communities for pursuing studies.
- **Supply of drinking water to nearby villages:** RCF has been providing drinking water for last 23 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit. More than 15,700 residents of the villages got benefit of the scheme.
- **Community Medical Facility- Running of Mobile Medical Van:** RCF in collaboration with Wockhardt Foundation, runs mobile medical van at Thal, Alibaug and Chembur, Mumbai area. Total three such medical vans (one at Chembur and two at Thal) were running during 2018-19. At Thal, on an average seven villages are covered in weekly cycles by a Mobile van and patients are benefitted from free medical services including supply of medicines. The Medical Van is accompanied with one MBBS doctor and one assistant. One medical van attends approximately 25,000 patients per annum.
- **Rural Sports:** RCF has supplied sports material and organised district level Adivasi Kabbadi Tournament wherein more than 1000 Tribals participated.
- **Livelihood enhancement projects:** RCF has also supplied paddy, fruit saplings and free fertilizers to needy villagers near Thal.
- **Aspirational District (Osmanabad):** Government of India issued Guidelines to utilize CSR funds in a focused manner towards national priorities. Company has selected “Osmanabad” as Aspirational district for utilizing CSR fund for this year’s theme of “School Education and Health Care”. Under this, RCF has provided Financial Assistance to Zilha Parishad, Osmanabad for procuring Baby Warmers for their Primary Health Centers. Financial Assistance to Mahatma Jyotiba Phule Night School located in Tuljapur, Osmanabad to provide Second Chance Education and Employment opportunities to the Girl students.
- **Help to FANI Affected Farmers in Odisha:** RCF distributed Agro input Kits to Farmers who were affected by cyclone FANI in the state of Odisha
- **Farmer Knowledge Centers:** RCF has two Farmers Knowledge Centers one at Nagpur (Maharashtra) and the other one at Thal (district Raigad, Maharashtra). Experts from Regional Agricultural Universities are regularly invited to give guidance to the farmers. Special programs designed for women farmers and the Scheduled Caste and Scheduled

Tribes are also organized on a regular basis so that they too join the bandwagon of the country's agricultural renaissance.

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

- **Krishi Melas and Exhibitions:** Krishi Melas are organized in areas where major crops and cash crops are cultivated. Literatures about the crops and fertilizer products, their use in the field etc., are distributed during Krishi Melas. Agricultural Exhibitions are organized at block /district level especially during fairs/rural events considering the crops grown in the area with advanced and new package of practices.

To disseminate the correct and advanced agricultural technology to the farming community, the farmers meetings are regularly organized by the company at the village level. In these meetings, farmers are educated for disseminating the correct and advanced agricultural technology, advantages of balanced usage of fertilizer & importance of soil analysis practice etc.

- **Soil Testing Services:** RCF is having the ten Static and six Mobile Soil Testing Laboratories located Pan-India. As a commitment to the Indian farming community, RCF analyses Soil Samples free of cost. RCF's NPK & Micronutrients soil samples analyzing capacity is around 1,18,000 Soil samples. Soil Testing Days are normally organized in the fields of the farmers where demonstrations are conducted during soil sample collection or fertilizer application. Subjects related to agriculture such as soil sample collection technique, balanced use of fertilizers, crop protection etc., are discussed.

Soil samples are analyzed for N-P-K and Micronutrient content. After soil analysis, the Soil Health Card is issued.

- **Kisan suvidha Kendra:** To give good agricultural services through agriculture experts to the farming community , RCF has established 150 Kisan Suvidha Kendras –Pan – India. These “Kisan Suvidha Kendra” are established in association with RCF's dealers. These centers help in empowering the farmers by acting as a collection point for soil, seed samples & handing over the Soil Health Card, give advisory services on Crop Cultivation Technology, weather report and provide many other such services.
- **Education through Social Media:** RCF has initiated a Facebook page, YouTube Channel, Twitter & Instagram Account under the name “RCF Kisan Manch”. Through this social media channel, RCF is creating awareness about the new agricultural Technologies ,information of Various Agriculture crops, medicinal plants & health related topics. RCF has also developed mobile application (APP) named “RCF Kisan Manch”. The mobile application is available in Marathi and English language.
- **Kisan Care Toll-Free call facility (1800-22-3044):** RCF runs a customer care no. (022 – 2552 3044) &toll free helpline service called as RCF Kisan Care no. (1800-22-3044)

to help farmers. Information regarding use of fertilizers, soil testing, crops, cultivation practices of different crops, Variety, pest, disease, weed control, weather report, dealership, subscription of RCF Sheti Patrika etc. is given to the farmers. RCF has offered this service mainly to the farming community of Maharashtra. But it is observed that the calls have spilled over from the boarder districts of Karnataka, Telangana & Goa. On an average RCF receives 80 calls per day.

- **RCF Sheti-Patrika (Monthly Farmer knowledge magazine in Marathi):** Monthly farm magazine “RCF Sheti Patrika” is published for farming community of Maharashtra. All the latest & current topics in Agriculture are covered in Sheti Patrika. The contents include latest information about cultural practices of crops, balanced use of fertilizers, importance of medicinal plants, vegetables & floriculture etc. At present RCF is Printing & Distributing 60,000 copies/month on complimentary basis to the farmers.
- **Support in COVID 19 pandemic:** *In the year 2020-21, RCF has deposited RS. 50 lakhs to PM Care fund and has supported the cause for COVID relief measures.*

RCF distributed face masks to all the contract labourers of the company. The masks were procured from women NGO. This move not only helped our contract labourers but also supported needy women in this lock down

7 Initiatives to improve the performance of the organization.

- As mentioned above at (Point 4.2), energy saving schemes are already under taken at both RCF Thal and Trombay Unit and are at implementation stage.
- Further RCF, is taking efforts to increase the product portfolio of the company and to tap the opportunity of diversification.
- Registered 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.
- Apart from these, various initiatives to improve the employee satisfaction are undertaken in the company like:
 - “HR AapkeDwar Drive” as an effective communication medium where one-to-one interaction of the employee takes place with HR Team. Issues related to work place, personal grievances, HR, Administration, medical etc. are

discussed. Also information on various new initiatives, prevalent guidelines are deliberated and doubts if any are clarified.

- In order to improve the workplace relationship mentoring programs, mid-term improvement plan, paper Assessment for promotion for the grade of E1 upto E3 grade & 360 Degree Assessment of eligible CMs/AGMs, DGMs and GMs/CGMs for next higher grades etc has been initiated.

Integrated Nutrient Management

8.1 Soil Health Management (SHM) under National Mission for Sustainable Agriculture (NMSA).

Soil health management aims at promoting Integrated Nutrient Management (INM) through judicious use of chemical fertilizers including secondary and micro nutrients in conjunction with organic manures and biofertilizers to provide soil test based recommendations to farmers for improving soil fertility; ensuring quality control requirements of fertilizers, biofertilizers and organic fertilizers under Fertilizer Control Order, 1985; upgradation of skill and knowledge of soil testing laboratory staff, extension staff and farmers through training and demonstrations; promoting organic farming practices etc.

The components under SHM include setting up of new static Soil Testing Laboratories (STLs), setting up of new Mobile STLs, strengthening of existing STLs, setting up of new Fertilizer Quality Control Laboratory (FQCL), strengthening of FQCL, setting up of bio-fertilizers production units, setting up of bio-fertilizers & Organic Fertilizer Quality Control Laboratories, promotion of organic inputs apart from trainings and demonstrations.

During 2019-20, against BE of Rs. 333.95 crore and RE was Rs. 185.65 crore an expenditure of Rs. 159.44 crore was incurred. A total of 15 Static Soil Testing Laboratories (STLs), 116 Strengthening of STLs, 01 Bio-fertilizers & Organic Fertilizers Quality Control Laboratories (BOQCLs), 02 Strengthening of BOQCLs, 01 new Fertilizer Quality Control Laboratories (FQCLs), 06 Strengthening of FQCLs, 01 BF/BP Production Units, 19 Strengthening of BF/BP Production Units were sanctioned during 2020-21, the BE is Rs.324.43 crore(Grant-in-Aid).

8.2 Fertilizer Control Order 1985

In order to ensure available of good quality of fertilizers to the farmers as per their soil requirement, the Government of India specified the specification of various chemical fertilisers Schedule-I (Part-A) of FCO. At present 12 Straight Nitrogenous Fertilizers, 5 Straight Phosphatic Fertilizers, 5 Straight Potassic Fertilizers, 2 Sulphur Fertilizers, 19 NPK Complex Fertilizers and 15 NP Complex Fertilizers, 26 Fortified Fertilizers, 6 Water Soluble Fertilizers and 23 Micronutrients are notified under FCO. The provision of tolerance limit in plant nutrient and physical parameters is given in FCO Schedule-I (Part B).

In order to encourage use of organic and bio fertilizers namely; Rhizobium, Azotobacter, Azospirillum, Phosphate Solubilizing Bacteria, Potash mobilizing Bacteria (KMB), Zinc Solubilizing Bacteria (AnSB), Mycorrhizae, Acetobacter and Consortia of bio-fertilizers have been incorporated in FCO, 1985. Specifications of organic manures and bio enriched organic manure, City compost, Vermi compost,

Phosphate Rich Organic manure(PROM), Bone meal raw and Bone Meal Raw, Bone Meal Steamed and Potash derived from Rhodophytes are specified under FCO Schedule IV. Besides this, specification of Non-Edible De-Oiled cake/Caster-Oiled cake fertilizers is notified under FCO Schedule-V

8.3 Policy on Promotion of City Compost

The Hon'ble Prime Minister in his Independence Day speech on 15th August, 2014 emphasized the need for improving general hygiene and cleanliness in the cities and villages. Government of India has approved a policy on promotion of City Compost. A notification conveying the approval of the Government has been issued by the Department of Fertilizers on 10.02.2016 in which Market Development Assistance (MDA) Rs. 1500/- per MT has been provided for scaling up production and consumption of City Compost. A fund of Rs. 29 crore for this purpose has been allocated for the financial year 2020-21. Promotion of City Compost is a flexi programme of Government of India for which a Committee of Joint Secretaries of Department of Fertilizers, Ministry of Urban Development and Department of Agriculture has been set up for coordination. The Fertilizer Companies have adopted 498 villages for promoting the use of City Compost. For better coordination and promotion of city compost, States have been asked to constitute State Level Steering Committee. State Level Steering Committee has been constituted in 12 States/UTs. The Direct Benefit Transfer (DBT) has been rolled out in Fertilizer Sector w.e.f. 1st March, 2018 and fertilizer companies marketing city compost are also covered under the scheme. The year-wise production and sales of the city is as under:

(in MT)

Year	Production of city compost	Sale by marketing companies	Bulk Sale by manufacturing companies	Total sale
2016-17	196992.32	96584.00	-	96584.00
2017-18	340017.21	123569.87	75492.04	199061.91
2018-19	234515.70	195551.48	111078.99	306630.47
2019-20	327790.58	215725.88	111046.84	326772.72
2020-21 (April-Dec-2020)	198348.89	200848.76	64232.94	265081.70

2. The processing and use of city waste as compost fully complements the "SWACHH BHARAT ABHIYAN" campaign of Government of India. The compost, in addition to replenishing the low organic carbon in Indian soils, also has several physical, chemical and biological effects including the supply of micro plant nutrients

and the reduction in nitrogen leaching while unlocking fixed phosphorus. The integrated use of optimal dose of nitrogen, phosphorus and potassium (NPK) in conjunction with organic manure ensures better yields in a sustainable manner and also corrects some of the secondary and micro-nutrient deficiencies.

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

8.4 Use of Space technology in Fertilizer Sector

The Hon'ble Prime Minister in his address during Special Session of National Meet on promoting use of space technology in Governance and Development held on 7.9.2015, had emphasized the need to institutionalize a mechanism for integrating space applications in governance and development.

To make use of space technology in fertilizer sector, the Department of Fertilizers has taken an initiative to commission a three year Pilot Study on "Resource Mapping of Rock Phosphate using Reflectance Spectroscopy and Earth Observations Data" by National Remote Sensing Centre under ISRO in collaboration with Geological Survey of India(GSI) and the Atomic Mineral Directorate (AMD). The MoU for the propose study has been signed on 21.08.2017. The work on first phase is in progress. The findings of the study are as under:

- Preliminary Data processing for the phosphate mapping is completed.
- Spectral analysis of samples collected during field work is completed.
- Joint processing of ASTER data was carried out with GSI in the first week of January, 2019.
- Based on spectral analysis of rock samples, results obtained from ASTER data (space borne advanced multispectral data) processing and consequent spectrochemical analysis of samples in field, few promising areas or surface exposures of rock phosphate in Heerapur-Chhatarpur were identified.
- Draft report has been prepared and the geological Survey of India has internalized and initiated the laboratory analysis of samples.

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Integrated Fertilizer Monitoring System (iFMS)

9.1 Introduction

- 9.1.1 The mandate of the Department of Fertilizers (DoF) is to make available fertilizers to the farmers at affordable prices. The “affordable prices” part of the mandate gets translated into subsidized fertilizers. The subsidy portion of fertilizers which ranges from 30% to 70% of the cost of the fertilizers is given to the companies, so as to make available fertilizers for the farmers at subsidized MRP.
- 9.1.2 The requirement of fertilizers is projected by the state governments to the department of Agriculture & cooperation, Government of India, which in turn, coordinates with DoF for finalizing the requirement of fertilizers in the country.
- 9.1.3 With the objective to monitor the Import, production and movement of various subsidised fertilizers and processing subsidy claims, different software systems were introduced by DoF over the last decade viz FMS (Fertilizer Monitoring system -2007), mFMS (Mobile Fertilizer Monitoring System- 2012), iFMS (Integrated Fertilizer Monitoring system- 2016).

The details are as under:

9.2 Fertilizer Monitoring System (FMS)

The Fertilizer Monitoring System (FMS) www.urvark.co.in was launched in May 2007. It monitors the production, dispatches, receipts and sales of DAP, MOP, SSP, NPK and Urea (indigenous and imported) fertilizers from point of production to district warehouses.

9.3 Mobile Fertilizer Monitoring System (mFMS)

- 9.3.1 To achieve more visibility and transparency in the fertilizer supply chain from production to receipt at the last point sale (retail point), the Mobile Fertilizer Monitoring System (mFMS) was introduced in the year 2012. It facilitated the retailer to acknowledge the receipt of stock through mobile as well as web.
- 9.3.2 The mobile Fertilizer Monitoring System (mFMS) has been implemented for all subsidized fertilizers in the country. The subsidized fertilizers namely Urea and 21 grades of Phosphatic and Potassic (P&K) fertilizers, namely; DAP, MAP, TSP, MOP, Ammonium Sulphate, SSP and 15 grades of NPKS complex fertilizers are covered under the mFMS.
- 9.3.3 A portion of the subsidy (5-15% depending on the grade of fertilizer) is given to manufacturers only when the retailer acknowledges the receipt in mFMS.

9.4 Integrated Fertilizer Monitoring System (iFMS)

In June 2014, it was decided by DoF to develop a more comprehensive, all-inclusive system which integrates, incorporates and enhances the features of both the earlier systems i.e. FMS and mFMS. Accordingly, the software programme iFMS (Integrated Fertilizer Monitoring System) was developed by NIC. The new software has been on parallel run from June 2016 and has become fully operational w.e.f. 1st September 2016.

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

9.5 Development of iFMS

The system was developed in consultation with the industry and other stakeholders. It incorporates all the functionalities that were present in FMS & mFMS system.

9.6 Functionalities in iFMS

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

1. **Transactions** : Following transactional details are captured on the system. These are entered by the companies on a daily basis and thus system always provides latest information to the Department of Fertilizers and state governments at all points of time:
 - Import of raw material / finished goods.
 - Custom clearances
 - Receipts of plant
 - Production
 - Dispatches from plant and Ports and Returns.
 - Receipts.
 - Sales
 - Warehouse details
 - Wholesaler details
 - Claim generation

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

2. **Requirement & Supply Plan** : The distribution of fertilizer in the country is linked to the requirement given by states for every season. The states also facilitate the fine-tuning of the supply plan for a month, in consultation with the Lead fertilizer Supplier

(LFS) and the department. Thus the State Governments can provide and view the information about fertilizer distribution online.

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

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

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

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

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

- Tracking of budgets both for P&K and Urea (Cash, bond, special banking arrangement)
- Generation of noting and sanction advice in the prescribed formats.
- Provision to split claims and generate supplementary claims
- Provision to split the sanction advice depending on the amount being actually disbursed.
- Provision to link the companies Bank guarantee and the amounts already utilized and available.
- Provision to link the Registration Certificate given by the state for the sale of Fertilizers, to prevent processing of claims in the case the same has not been submitted to the department.

6. **Public Domain:** The public domain of the system is (www.mfms.nic.in). Various reports are available here for viewing, with regard to state-wise, district-wise & company-wise dispatch & receipts of various grades of fertilizers.

7. **The MIS provided on iFMS gives up to date information about the fertilizers. Some of the indicative reports are:**

- State-wise/ Distt-wise/ Finish Good-wise/ Dispatch Report.
- State-wise/ Distt-wise/ Finish Good-wise/ Sales Report.
- District-wise-Distribution wise sale Report.

- Supply Plan Vs Actual Receipts.
- Requirement Vs Supply Plan

9.7 Release Order Module (R.O. Module)

9.7.1 R.O Module/ Vehicle Challan Module was incorporated in the iFMS system on 17th May 2017. The objective of this module is to track the movement of fertilizers across the country on a real time basis. This module enables companies, Wholesalers and retailers to generate Vehicle challans in the iFMS application itself. It is now mandatory to generate Vehicle Challans whenever there is a movement by road and only those transactions for which Vehicle Challan is generated, will be available to the receiver for acknowledgment.

9.7.2 Details Captured in the R.O. Module

- The information of truck carrying the Fertilizer.
- Movement of Fertilizer from plant/port to loading rake point.
- Movement of Fertilizer from plant/port to District warehouse.
- Movement of Fertilizer from rake point to District warehouse.
- Movement of Fertilizer from District warehouse to wholesaler/retailer.
- Movement of Fertilizer from wholesaler to wholesaler/retailer.

9.7.3 DBT System

- (i) Under DBT system, iFMS has been further extended to capture the Retailer sales to Farmers through the Point Of Sale (PoS) device. For the same, PoS device software was developed by the department with integrated services of Aadhaar Biometric services to authenticate all buyers on the PoS devices. PoS device plays an important role in implementation of the DBT project. The sale of fertilizers by retailers to farmers is done through PoS device only. Presently PoS software version 3.0 is in use throughout the country.
- (ii) The PoS software provides for a one-time registration of retailers in the system. Retailers can register and authenticate themselves by entering their iFMS user ID and Aadhaar card number. Once one-time registration is done, the retailer can register more sub-retailers under same id for other users. Only registered retailers can operate this system. The PoS software has provision of sale of fertilizers to the farmers or buyers whose identity is verified through Aadhaar based biometric authentication or Voter ID card or Kisan Credit Card (KCC). All sales transactions through PoS are tracked Company wise, Plant-wise, Product wise in the Integrated Fertilizer Management System (iFMS) which enables the Department of Fertilizer to process the weekly subsidy bills raised by the manufacturing units.

Each successful sale transaction will generate two sale receipts, one for buyer and other for retailer for record purpose. The generated bill also automatically informs the buyer

the exact amount of subsidy that has been paid by the Government of India to the manufacturer or importer on his purchase.

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

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

9.7.4 Reports generated in PoS software

- **Fertilizer stock report:** a retailer may click this module to generate fertilizer stocks available as on date at their end.
- **Fertilizer sale report for a week:** it provides record of sale of fertilizers on weekly basis.
- **Fertilizer received report:** it is used to generate report on fertilizers received at the retailer. This report shows the company name, receiving date and quantity of fertilizers received.
- **Print bill in duplicate:** Its use is to print a duplicate bill in case of any requirement.

9.7.5 DBT 2.0 initiatives:

a) PoS 3.0 Software:

Under DBT, the fertilizer are sold through the PoS devices installed at retail points across the country. Till now 14 versions of PoS software has been released in the process of improving the PoS operations, latest being PoS 3.0 version.

b) DBT Dashboards.

In order to provide accurate information about the position of supply/availability/ requirement of various fertilizers at National, State and District levels, the DOF has developed various dash-boards. These dash-boards can be accessed by general public by clicking the e-urvarak website of DOF (www.urvarak.nic.in).

c) Desktop PoS Version:

As a part of ongoing implementation of DBT, the department has installed PoS devices at 2.26 lakh retail points across the country. Keeping in view the various operational challenges viz. limited PoS vendors, rush of sales due to peak season etc. the department developed a desktop version of PoS software as an alternative or added facility to PoS devices. Retailers with Laptops and Computer systems can use high speed broadband service for fertilizer sales. The Desktop software is more robust and secure as the application is developed and handled directly from the central HQ team at D/o Fertilizers. The desktop version will facilitate easy handling of fertilizer business at retailer points.

9.8 Launch of PoS Software 3.1

Hon'ble Minister of Chemicals and Fertilizers, Sh. Sadanand Gowda in presence of Hon'ble Minister of State, Sh. Mansukh Mandaviya launched PoS Software 3.1 version on 30th Sept 2020

In 3.1 Version, in addition to existing biometric authentication, contactless OTP based authentication has been introduced keeping in view prevailing Covid-19 Pandemic. Android based Mobile Application and Desktop App have been developed. Any Biometric device and Bluetooth Printer can be used with Android version.

9.8.1 SMS Gateway

The provision has been made in 3.1 version for sending SMS alerts on the following activities:-

- I. On every transaction through PoS/Desktop and Android Application for purchase of Fertilizers, buyer will also receive the Invoice detail by SMS on the number provided at the time of purchase.
- II. SMS Alert to the Farmers as and when new stock is received/acknowledged by the retailer about total stock availability at the retail outlet from where the farmer purchased fertilizer last time.
- III. Periodic (fortnightly in season & monthly in off-season) SMS to the farmers about for stock availability at the retail outlet from where the farmer purchased fertilizer last time

Chapter- 10

Right to Information Act, 2005

- 10.1 The Right to Information Act, 2005 (RTI) was assented by the President of India on 15.6.2005 and notified on 21.6.2005. Some of the Sections of the Act, namely, sections 4(10), 5(1) & (2), 12,13,15,16,24,27 & 28 relating to obligations of Public Authorities for maintenance and computerization of record/information, designation of Public Information Officers constitution of Central Information Commission and State Information Commission, exclusion of certain organizations etc, came into force immediately. The remaining provisions of the RTI Act came into force on the 120th day of its enactment i.e. 12th October 2005.
- 10.2 In compliance of the RTI Act, the Department has designated CPIOs and Appellate Authorities. The respective PSUs under the administrative control of the Department have been directed to ensure compliance of the RTI Act. Some of the important steps taken by the Department in compliance of the Act are:-
- a) Created a separate link for RTI Act on its website <http://fert.nic.in> placing a handbook on RTI giving general information about the Department required under the Act.
 - b) Orders designating CPIOs and Appellate Authorities with required details are placed on the website, which are updated from time to time.
 - c) Counter opened at Public Information Centre of DoF at Room No. G-12, Ground Floor, A wing, Shastri Bhawan, for applications as well as prescribed fee under the RTI Act.
- 10.3 The Department has started registration of applications and appeals under the RTI Act on the Management Information System (RTI_MIS) software available on the web-site of CIC (<http://rti.gov.in>).
- 10.4 The Department has started receiving RTI applications/Appeals on RTI web portal of DoPT, <http://rtionline.gov.in/RTIMIS>
- 10.5 During the year 2020 (upto Dec 2020), 337 applications and 15 appeals were received physically and online out of which 321 applications and 13 appeals were disposed off during the year and the remaining 16 out of 337 applications and 2 out of 15 appeals are under process for sending reply to the applicants.

Chapter – 11

Vigilance Activities

- 11.1** The Vigilance activities of the Department extend to the Department as well as to 9 public Sector Undertaking and two Joint Venture. The Vigilance Division is headed by Additional Secretary who is designated as Chief Vigilance Officer of the Department. The CVO is assisted by Director/ Deputy Secretary, Under Secretary and a Section Officer along with 3 vigilance staff. Vigilance related activities are carried out within the framework provided by the DoPT and CVC and Department of Public Enterprises. The Department plays a proactive role in ensuring the prompt disposal of the complaints and in framing preventive guidelines. Efforts are made by the Department to simplify the procedure in the PSUs to promote transparency in their working which reduces the chance of corruption.
- 11.2** “Vigilance Awareness Week” was celebrated in this Department from 27th October to 2th November 2020. 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 Economic Adviser to the staff and essay competition was also held.
- 11.3** Agreed List of Public Servants and List of Public Servants of doubtful integrity for the year 2020 have been finalized and sent to CBI. Further, regarding complaints received in Vigilance Division of this Department, as on 01.01.2020, there were 9 complaints received from various sources including the ones received from CVC further during the year, 2020. 18 more complaints were received during the year 2020. 8 Complaints were disposed off in the year 2020. The remaining complaints are at various stages of examination and are under process.

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Chapter – 12

Progressive use of Official Language

12.1 Progressive use of official language Hindi

12.1.1 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 endeavour for implementing the Official Language Policy of the Union. The work pertaining to the progressive use of Hindi in the Department, its attached office and 09 PSUs is under the administrative control of Joint Secretary (PS). For his assistance, posts of two Deputy Directors (OL), two Assistant Directors (OL), three Senior Translation Officers & one Junior Translation officer are created. Department of Fertilizers continued its efforts towards greater use of Hindi in official work during 2019-2020 keeping in view the Annual Programme issued by the Department of Official Language, Ministry of Home Affairs for implementation of the Official language policy of the Union.

12.1.2 All the 270 Computers (PCs) in the Department are equipped with unicode bilingual facility. Efforts are being made to promote the use of Hindi in the correspondence. All officers/employees of the Department are having working knowledge of Hindi. Besides, a number of effective measures have been taken for the promotion of progressive use of Hindi in the Department, its attached office of FICC and PSUs under its administrative control. Details of these measures are summarized below:-

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

In pursuance of the official language policy of the Govt. of India, all documents covered under section 3(3) of the Official Language Act, 1963 are being issued both in English and Hindi. In order to ensure correspondence in Hindi to Central Government offices located in Region 'A', 'B' and 'C', action plan based on the checkpoints identified in the Department has been prepared to ensure compliance of the official language policy. All the letters received in Hindi are invariably replied to in Hindi. Efforts are also being made to reply the letters in Hindi which are received in English from region 'A' & 'B'. Efforts to increase the original correspondence in Hindi with the state governments are also being made.

12.3 Hindi Training

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

12.4 Reports relating to Official Language, Hindi

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

12.5 Annual Programme

Annual Programme issued by Department of Official Language for the year 2019-20 was received and circulated to its sections and PSUs/office under the administrative control of the Department.

12.6 Official Language Implementation Committee (OLIC)

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

12.7 Hindi Salahkar Samiti

With a view to render advice for effective implementation of the official language policy of the Government, reconstruction of the Hindi Salahkar Samiti (Hindi Advisory Committee) of the Ministry of Chemicals and Fertilizers, which is the joint committee of the Department of Petrochemicals, Department of Pharmaceuticals and the Department of Fertilizers, is under process.

12.8 Incentive Scheme for original noting/drafting work in Hindi

The incentive scheme for noting/drafting in Hindi introduced by the Department of Official Language is continued. This scheme carries two first prizes of 5000/- each, three second prizes of 3000/- each and five third prizes of 2000/- each. Prizes were given to total 3 (THREE) participants.

12.9 Cash prize scheme for dictation in Hindi

An incentive scheme for officers for giving dictation in Hindi is in operation in the Department. Under this scheme, there is a provision of two cash prizes of 5000/- each (one for Hindi speaking and other for Non-Hindi speaking).

12.10 Hindi Day/Hindi Fortnight

In order to encourage the use of Hindi in official work amongst officers/employees of the Department, the messages from Hon'ble Home Minister and Hon'ble Cabinet Secretary were circulated among the officers/employees of the Department and all PSUs under the administrative control of the Department. During the Hindi fortnight, which was organized in the Department from 11th September, 2020 to 25th September, 2020, various competitions such as Hindi Essay writing, Hindi typing, short extempore speech in Hindi, noting and drafting in Hindi (separately for Hindi and non-Hindi speaking employees) General Knowledge and Rajbhasha Prashnottary in Hindi were organized. Officers/employees took part very enthusiastically in these competitions and 37 officers/employees won prizes. Prizes have been distributed by Hon'ble, additional Secretary (F).

12.11 Hindi Workshops

During the year, 02 Hindi workshops, one for US to Director level officers and the other for Section Officers/PSs/Assistant Section officers/DEO's, were organized in the Department to overcome the hesitation of working in Hindi and encourage the officials to do their more and more work in Hindi. 26 officers/employees participated in these workshops.

12.12 Inspections regarding progressive use of Hindi

In order to oversee the implementation of the official language all sections of the department and 8 offices/units of different PSUs were inspected by the Assistant Director (OL) of the Department during the year.



Hon'ble Joint Secretary (AS) Ms. Aparna S. Sharma inaugurating Hindi Pakhwada-2020 Organised in the Department during 11-09-2020 to 25-09-2020



Participats participating in the Rajbhasha Prashanotri Competition Organised in the Department during Hindi Pakhwada-2020. It is Organized by Maintaining Social Distancing.

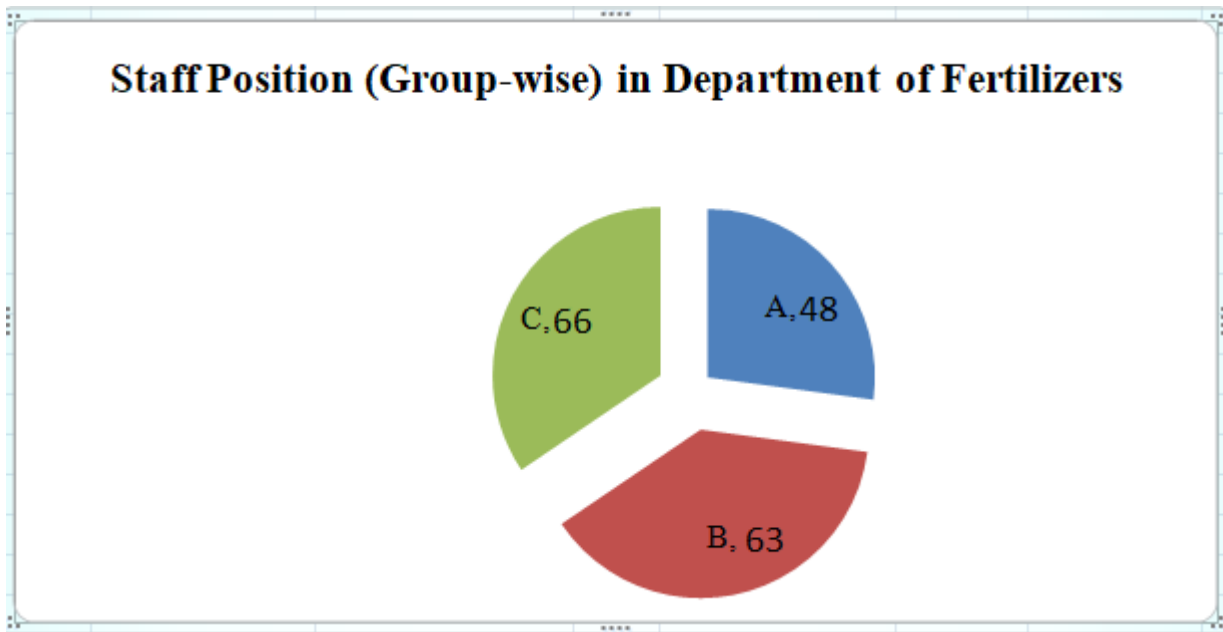


Prize Distribution Ceremony for the winners of Hindi Pakhwada-2020 competition being chaired by Hon'ble Secretary Sh. Chhabilendra Roul.

Chapter – 13

Welfare of SCs, STs, OBCs and Physically Handicapped persons

- 13.1 The number of total existing staff in Department of Fertilizers is represented Group-wise in the figure given below; utmost care has been exercised to implement Government's instructions regarding recruitment and promotion of candidates belonging to the Schedule Castes (SCs), Schedule Tribe (STs), Other Backward Classes (OBCs) and Physically Handicapped (PHPs) categories in various groups of services in the Department.



Women Empowerment

- 13.2.1 Following the promulgation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [SHWW(PPR) Act] and notification of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 [SHWW(PPR) Rules] on 09/12/2013, the Government has notified the amendments to Central Civil Services (Conduct) Rules 1964 and Classification, Control and Appeal Rules 1965 on 19/11/2014.
- 13.2.2 As per the extant guidelines, complaint committee mechanism provided under Vishakha guidelines relating to sexual harassment is strictly followed in the Department. The Committee is headed by a women officer namely Ms.Rekha Sharma who is working as Deputy Secretary in this Department. The committee comprises of 6 member including Chairperson, out of which one member is recruited from outside Department, preferably from an NGO working for the welfare of women. The Committee meets at least once in every quarter. In the year 2020-21 (up to 01/11/2020) one sexual harassment case was reported.

SEVOTTAM

14.1 The Sevottam model has been developed with the overarching objective of improving the quality of public service delivery in the country. The model has three components viz. Citizen's Charter, Public Grievance Redressal and excellence in Service Delivery with an overall objective of keeping citizens better informed and their empowerment in order to be able to demand better services, grievance redressal and continuous improved delivery system.

14.2 IMPLEMENTATION OF SEVOTTAM

14.2.1 The Department of Fertilizers is committed to the effective and responsive administration and excellence in service delivery and has completely implemented the SEVOTTAM framework of Government of India. The Department has created a Sevottam complaint Citizen's/Clients Charter as well as Sevottam compliant Grievance Redressal mechanism. Citizen's/Client's Charter of Department of Fertilizers has been prepared and displayed on the Department's website.

14.2.2 The Department offers services to Citizens, Central Public Sector Enterprises under the Department, Fertilizer producing companies, importers of fertilizers / fertilizer raw material suppliers, Department of Agriculture and Cooperation etc, as per the service standards indicated in the Citizen's/Client's Charter which are as under :-

- Timely grant of clearance for setting up /augmenting of fertilizer production unit.
- Timely payment of subsidy to fertilizer companies.
- Timely fixing of production/inputs targets for the fertilizer companies.
- Recommendations to Revenue Department for concessional rate of custom duty under Project Import Scheme in Fertilizer sector in respect of imported machinery and equipments for capital goods.
- Timely payment of bills to vendors.
- Prompt grievance redressal.
- Decision on proposals for capacity expansion, technical upgradation, modernization of plants, machinery, etc.

14.3 Grievance Redress Mechanism: -

14.3.1 A Grievance Redress Mechanism has been set up in the Department with an objective of speedy redressal and effective monitoring of grievances. A Nodal Officer of the rank of Joint Secretary has been designated as Director of Public Grievance. Separate Nodal Officers have been designated for redressal of Staff Grievances and Grievances of pensioners. Service recipients can either lodge their grievances on Centralized Public Grievance Redress and Monitoring System (CPGRAMS) at the Grievance Portal of Department of Administrative Reforms and Public Grievances (DARPG) at <http://pgportal.gov.in> or at the centralized Pensioners Grievances Redressal and

Monitoring System (CPENG-RAMS) at pensioners' Portal of Department of Pension & Pensioners' Welfare at <http://pensionersportal.gov.in/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. During 2020-21 Department of Fertilizers, received 438* (this includes 37 pending cases of the previous year) public grievance cases (as on 21/1/2021), directly or through other Departments, out of which 405* cases were disposed and 26* cases are under process at different stages in the DoF.

* tentative figures.

14.4 E-Samiksha

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

14.5 PRAGATI (Pro-Active Governance And Timely Implementation)

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

14.6 Swachh Bharat Mission: Swachhta Pakhwada was observed in the Department of Fertilizers from 1st September, 2020 to 15th September, 2020 under Swachh Bharat Mission. Various activities performed during this period are as under:

- (i) Message of Hon'ble Minister (C&F) relating to Swachhta pakhwada was placed on Department of Fertilizer's website.
- (ii) Swachhta pledge was administered by Secretary (F) among the staff of Department of Fertilizers. After the pledge, cloth bags (which were provided by a Self-Help Group) were distributed by Secretary(F) among them in order to discourage the use of plastic bags.
- (iii) A essay writing competition (Bilingual) was conducted on the topics of Swachhta related activities which the officials of DOF participated. Cash Prizes were distributed to the selected winners for writing creative and good essays.

- (iv) Saplings were planted at nearby places of office premises by the officers of DoF.
- (v) Swachhta Pakhwada was also observed by the PSUs under the administrative control of DOF. At the end of the Pakhwada, RCFTwo PSUs were awarded 1st and 2nd

Chapter – 15

AUDIT REPORT

Sl. No.	Year of Report	No of Paras/PAC reports on which ATNs have been submitted to PAC after vetting comments by Audit	Details of the Paras/PA reports on which ATNs are pending.		
			No. of ATNs not sent by the Minsitry even for the first time.	No of ATNs sent but returned with observatios and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry
1	Reports No. 16 of year 2015 which has been taken over by PAC as 111 th Report (16 th Lok Sabha)	05 PAC observations	Nil	-	-

*Final ATR oon 111th PAC Report has been forwarded to Lok Sabha Sectt. and also been uploaded on APMS Portal. Hence, no action is pending in this regard from the Department.

Annexure-I

UNIT-WISE INSTALLED/REASSESSED CAPACITY & PRODUCTION OF ALL
MAJOR FERTILIZERS DURING 2019-20 AND ESTIMATED PRODUCTION
DURING 2020-21

(Fig. In 'LMT')

NAME OF PLANTS	PRODUCT NAME	Installed/ Reassessed Capacity (as on 01.04.2020)	PRODUCTION DURING 2019-20	ESTIMATED PRODUCTION DURING 2020-21 **
PUBLIC SECTOR				
NFL:Nangal-II	Urea	4.79	5.75	5.39
NFL:Bhatinda	Urea	5.12	5.63	5.46
NFL:Panipat	Urea	5.12	5.52	5.84
NFL:Vijaipur	Urea	8.65	9.84	9.58
NFL:Vijaipur Expn.	Urea	8.65	10.53	11.21
Total(NFL):		32.31	37.27	37.49
BVFCL:Namrup-II	Urea	2.40	0.46	0.22
BVFCL:Namrup-III	Urea	3.15	1.10	1.84
Total(BVFCL):		5.55	1.56	2.05
FACT:Udyogamandal	A/S	2.25	2.27	2.20
	20:20	1.49	2.04	1.93
FACT:Cochin-II	20:20	4.85	6.41	6.20
Total(FACT):		8.59	10.72	10.32
RCF:Trombay V	15:15:15	4.20	5.71	5.45
	10:26:26	0.00	0.00	0.00
	20.8:20.8	0.00	0.00	0.00
	20:20	2.70	0.00	0.00
	Urea	3.30	3.25	3.65
RCF:Thal	Urea	17.07	20.22	19.61
Total(RCF):		27.27	29.18	28.70
MFL:Chennai	Urea	4.87	3.45	4.72
	20:20	0.00	0.00	0.00
	19:19:19	0.00	0.00	0.00
	17:17:17	8.40	0.65	0.72
Total(MFL):		13.27	4.10	5.44
RFCL *	Urea	12.70		3.78
Total (PUBLIC SECTOR):		99.68	82.83	87.78
COOPERATIVE SECTOR				
IFFCO:Kandla	10:26:26	5.15	6.92	7.76
	12:32:16	7.00	8.20	8.44
	12:32:16:0.5Zn	0.00	0.00	0.00
	DAP	12.00	8.14	6.16
Total(Kandla):		24.15	23.27	22.36
IFFCO:Kalol	Urea	5.45	6.02	6.47
IFFCO:Phulpur-I	Urea	5.51	7.50	7.99
IFFCO:Phulpur-II	Urea	8.65	12.16	11.67
IFFCO:Aonla	Urea	8.65	12.20	11.25
IFFCO:Aonla- II	Urea	8.65	10.87	11.62
(IFFCO ALL UNITS):		61.05	72.02	71.35
IFFCO:Paradeep	DAP	15.00	12.78	13.88
	12:32:16	1.60	0.00	0.00

	20:20	1.00	6.52	6.63
	10:26:26	1.60	0.00	0.00
Total(Paradeep):		19.20	19.31	20.51
KRIBHCO:Hazira	Urea	17.29	23.31	23.16
Total (COOP. SECTOR):		97.54	114.63	115.03
Total (PUB+COOP):		197.22	197.46	202.81
GSFC:Vadodara	Urea	3.71	3.21	3.70
	A/S	3.74	4.46	4.80
	20:20	2.00	2.17	2.56
Total(GSFC Badodara):		9.45	9.84	11.05
GSFC:Sikka-I	DAP	7.22	4.85	6.15
	10:26:26	0.00	0.46	1.06
	16:20-0			0.10
	20:20	0.00	0.50	0.40
	12:32:16	0.00	0.82	1.22
Total(GSFC Sikka):		7.22	6.62	8.92
CIL:Vizag	28:28	0.00	4.32	4.04
	20:20	12.30	6.08	5.50
	14:35:14	0.00	0.00	0.00
	17:17:17	0.00	0.00	0.00
	UAP 20:20	0.00	0.00	0.00
	24:24:0-8,	0.00	0.36	1.04
	10:26:26	0.00	0.00	0.00
	DAP	0.00	0.00	0.00
Total(CIL Vizag):		12.30	10.76	10.58
SFC:Kota	Urea	3.80	3.87	4.07
KFCL:Kanpur	Urea	7.23	7.23	7.02
ZACL:Goa	Urea	3.99	2.33	4.45
	DAP	3.93	0.18	0.40
	19:19:19	3.93	0.29	0.68
	28:28-0		0.24	0.46
	10:26:26	0.00	1.03	1.78
	14:35:14	0.00	0.00	0.00
	12:32:16	0.00	0.18	0.16
Total(ZACL):		11.85	4.24	7.94
SPIC:Tuticorin	Urea	6.20	5.50	6.57
Greenstar Fert. Ltd.	DAP	3.47	2.87	1.56
	20:20	2.59	2.97	2.56
	17:17:17	0.00	0.00	0.00
Total(SPIC+GFL):		12.26	11.34	10.68
MCFL:Mangalore	Urea	3.80	3.80	3.53
	DAP	2.20	1.60	1.41
	16:20	0.00	0.00	0.00
	20:20	0.40	1.34	1.22
	10:26:26	0.00	0.00	0.00
Total(MCFL):		6.40	6.73	6.15
GNFC:Bharuch	Urea	6.37	6.91	6.30
	20:20	1.43	1.94	1.82
Total(GNFC):		7.79	8.85	8.12
CIL:Ennore	16:20	3.00	1.66	2.24
	15:15:15-0			0.02
	20:20	0.00	0.54	0.09
Total(CFL:Ennore):		3.00	2.20	2.35

Smartchem/ DFCL:Taloja	24:24:0,	6.00	2.12	2.30
	10:26:26	0.00	1.15	1.76
	12:32:16	0.00	0.39	0.73
	20:20	0.00	1.18	1.41
	14:28-0			0.11
	16:16:16,	0.00	0.02	0.00
Total: DFCL		6.00	4.85	6.32
IRC Agro/ TCL:Haldia	DAP	2.79	2.17	1.78
	10:26:26	5.12	2.80	4.01
	12:32:16	0.00	0.61	0.39
	20:20	0.00	0.00	0.00
	14-35-14	0.00	0.19	0.18
Total(TCL):		7.91	5.78	6.36
CIL:Kakinada	DAP	19.25	4.97	2.64
	12:32:16	0.00	0.23	0.00
	10:26:26	0.00	2.57	3.04
	28:28	0.00	0.51	1.58
	14:35:14	0.00	2.90	3.75
	17:17:17	0.00	0.00	0.00
	20:20-0-13	0.00	4.98	5.05
	15-15-15-9		0.63	0.65
	14:28:14	0.00	0.00	0.00
Total (Kakinada):		19.25	16.79	16.70
NFCL:Kakinada	Urea	5.97	3.28	5.55
NFCL:Kakinada Expn.	Urea	5.97	3.65	4.47
Total(NFCL):		11.95	6.93	10.01
Grasim/ IGFL:Jagdishpur	Urea	8.65	11.15	11.20
Hindalco .:Dahej	DAP	4.00	2.30	0.05
CFCL:Gadepan-I	Urea	8.65	9.51	11.32
CFCL:Gadepan-II	Urea	8.65	10.45	10.07
CFCL:Gadepan-III	Urea	12.70	12.70	13.07
Total(CFCL):		29.99	32.66	34.45
YARA/TCL:Babrala	Urea	8.65	12.84	12.38
KFL/KSFL: Shahjahanpur	Urea	8.65	10.34	10.31
PPL:Paradeep	DAP	7.20	5.64	5.67
	20:20	0.00	3.79	3.52
	15:15:15	0.00	0.00	0.00
	12:32:16	0.00	0.13	0.18
	10:26:26	0.00	1.06	1.02
	14:35:14	0.00	0.00	0.00
Total(PPL):		7.20	10.63	10.38
Matix Group. Cor.	Urea	12.70	0.00	5.20
SSP Units	SSP	124.00	42.53	75.96
Total (PRIVATE SECTOR):		330.22	228.46	276.18
Total (PUB+COOP+PVT):		527.44	425.92	478.99

Note: ** Actual Production during April, 2020 to November 2020 and target from December 202 to March 2021

Sources : mfms.nic.in

Annexure-II

**PRODUCT-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING
2019-20 AND ESTIMATED PRODUCTION DURING 2020-21**

PRODUCT	Installed/Reassessed Capacity (as on 01.04.2020)	PRODUCTION DURING 2019-20	ESTIMATED PRODUCTION DURING 2020-21 **
UREA	245.64	244.55	262.61
A/S	5.99	6.73	6.99
DAP	77.06	45.50	39.69
SSP	124.00	42.53	75.96
20:20	28.75	40.45	38.89
15:15:15	4.20	6.34	6.11
20.8:20.8	0.00	0.00	0.00
17:17:17	8.40	0.65	0.72
14:28-0	0.00	0.00	0.11
10:26:26	11.87	15.99	20.43
12:32:16	8.60	10.58	11.12
12:32:16:0.5Zn	0.00	0.00	0.00
14:35:14	0.00	3.09	3.93
19:19:19	3.93	0.29	0.68
28:28	0.00	5.06	6.08
24:24:0,	6.00	2.48	3.34
16:16:16,	0.00	0.02	0.00
UAP 20:20	0.00	0.00	0.00
16:20	3.00	1.66	2.34
TOTAL:	527.44	425.92	478.99
Complexes:	74.75	86.61	93.74

**SECTOR-WISE CAPACITY & PRODUCTION OF ALL FERTILIZERS DURING
2019-20 AND ESTIMATED PRODUCTION DURING 2020-21**

SECTOR NAME	Installed/Reassessed Capacity (as on 01.04.2018)	PRODUCTION DURING 2018-19	ESTIMATED PRODUCTION DURING 2019-20*
Public	99.68	82.83	87.78
Cooperative	97.54	114.63	115.03
Private	330.22	228.46	276.18
TOTAL	527.44	425.92	478.99

Note: * Actual Production during April 2020 to November 2020 and target from December 2020 to March, 2021

Sources : mfms.nic.in

YEAR-WISE PRODUCTION OF UREA, DAP AND COMPLEXE FERTILIZERS			
			(Fig. in LMT)
YEAR	Urea	DAP	Complex Fertilizers
2001-02	191.78	50.95	49.09
2002-03	187.26	52.41	48.59
2003-04	192.03	47.32	45.14
2004-05	202.63	51.85	53.67
2005-06	200.98	46.28	67.66
2006.07	203.08	48.52	74.63
2007-08	198.57	42.12	58.50
2008-09	199.22	29.93	68.48
2009-10	211.12	42.47	80.38
2010-11	218.80	35.37	87.27
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	240.00	38.99	89.98
2019-20	244.55	45.50	86.61
2020-21 (upto November 2020)	166.53	26.67	60.96
Sources : mfms.nic.in			

**Plant-wise Actual Production of Urea during 2014-15 to 2020-21
(upto November 2020)**

(Fig. in LMT)

NAME OF PLANTS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (upto November 2020)
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
PUBLIC SECTOR:							
NFL:Nangal-II	4.79	5.46	5.02	5.43	5.42	5.75	3.79
NFL:Bhatinda	5.61	5.48	5.68	5.63	6.03	5.62	3.81
NFL:Panipat	5.12	5.67	5.43	5.60	5.82	5.52	3.87
NFL:Vijaipur	9.51	9.90	10.58	10.44	10.59	9.84	6.16
NFL:Vijaipur Expn.	11.38	11.46	11.39	10.88	11.75	10.53	7.37
Total(NFL):	36.39	37.98	38.10	37.97	39.60	37.27	25.00
BVFCL:Namrup-II	0.98	0.66	0.60	0.58	0.58	0.46	0.02
BVFCL:Namrup-III	2.61	2.56	2.50	2.12	2.29	1.10	0.98
Total(BVFCL):	3.59	3.23	3.11	2.70	2.86	1.56	1.00
RCF:Trombay-V	4.24	4.52	4.08	4.41	3.92	3.25	2.46
RCF:Thal	21.78	20.98	21.44	20.61	19.84	20.22	12.54
Total(RCF):	26.02	25.50	25.52	25.02	23.75	23.47	15.00
MFL:Chennai	3.29	4.09	4.68	4.19	3.94	3.45	2.94
TOTAL PUBLIC SECTOR:	69.29	70.80	71.41	69.88	70.16	65.75	43.94
COOP. SECTOR:							
IFFCO:Kalol	5.97	6.01	6.02	6.02	6.02	6.02	4.29
IFFCO:Phulpur	5.78	7.58	6.32	7.26	6.71	7.50	5.35
IFFCO:Phulpur Expn.	8.84	10.54	9.92	9.55	10.48	12.16	7.70
IFFCO:Aonla	10.47	11.33	10.69	8.96	11.22	12.20	7.84
IFFCO:Aonla Expn.	10.21	11.23	10.34	9.31	11.18	10.87	7.75
Total(IFFCO):	41.27	46.68	43.27	41.09	45.62	48.75	32.93
KRIBHCO:Hazira	22.25	22.68	23.53	22.54	23.42	23.31	15.51
TOTAL COOP. SECTOR:	63.51	69.36	66.81	63.64	69.04	72.05	48.44
Total (Pub.+Coop.)	132.80	140.15	138.21	133.51	139.20	137.80	92.38

PRIVATE SECTOR:							
GSFC:Vadodara	3.52	3.61	3.59	3.11	3.71	3.21	2.53
SFC:Kota	3.97	4.01	3.94	4.10	3.90	3.87	2.75
KFCL (DIL):Kanpur	6.41	7.17	7.23	7.23	6.73	7.23	4.60
ZACL:Goa	3.63	4.00	4.65	4.73	4.09	2.33	3.02
SPIC:Tuticorin	4.92	6.20	5.63	6.59	6.52	5.50	4.46
MCF:Mangalore	2.51	3.80	3.80	4.20	3.50	3.80	2.16
GNFC:Bharuch	7.04	6.91	6.90	6.49	6.45	6.91	4.15
Grasim/IGF:Jagdishpur	10.22	12.08	11.61	11.84	11.37	11.15	7.17
NFCL:Kakinada-I	3.48	6.31	7.88	7.98	3.89	3.28	2.83
NFCL:Kakinada-II	5.83	7.11	7.10	7.92	1.96	3.65	1.83
CFCL:Gadepan-I	9.76	10.91	9.66	11.38	11.33	9.51	7.57
CFCL:Gadepan-II	8.76	10.35	10.36	9.56	9.87	10.45	6.48
CFCL:Gadepan-III					3.83	12.70	9.37
YARA/TCL:Babralla	12.50	12.31	12.14	12.48	13.01	12.84	8.05
KFL/KSFL:Shahjhanpur	10.50	9.83	9.32	9.01	10.64	10.34	7.19
Matix Fertilizers and Chemicals Ltd.	0.00	0.00	0.00	0.11	0.00	0.00	0.00
TOTAL PRIVATE SECTOR:	93.05	104.60	103.79	106.72	100.80	106.75	74.15
TOTAL(PUB.+COOP.+PVT.):	225.85	244.75	242.01	240.23	239.99	244.55	166.53
Sources: mfms.nic.in							

List of subjects falling within the jurisdiction of Department of Fertilizers

A

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

B

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

Annexure-VI**List of Officers in the Department (as on 01/11/2020)**

Hon'ble Minister (C&F)	Shri D. V. Sadananda Gowda
PS to Hon'ble Minister (C&F)	Shri Subodh Kumar
Hon'ble Minister of State for C&F	Shri Mansukh Mandaviya
Secretary	Shri Chhabilendra Roul
Additional Secretary	Shri Dharam Pal
Additional Secretary & Financial Advisor	Ms. Alka Tiwari
Joint Secretaries	i. Shri Partha Sarthi Sen Sharma ii. Ms. Aparna Sharma
Economic Adviser	Shri Lalsanglur
Directors & equivalent Officers	i. Shri Anil Kumar V Patil ii. Shri Prabhas Kumar iii. Shri Niranjana Lal iv. Shri Vinay Kumar Pandey v. Shri G. Venkatesh vi. Dr. Manohar Vishwanath Nemade vii. Shri K. Gurumurthy
Deputy Secretaries & equivalent Officers	i. Smt. Rekha Sharma ii. Shri J. Daniel Godfrey iii. Shri Johan Topno iv. Shri Jatin Chopra v. Ms. Sarla Sivaraman vi. Dr. Madhu Sharma
Chief Controller of Accounts Controller of Accounts	i. Shri Binod Kumar ii. Smt. Sanchita Shukla

Details of Joint Ventures

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

S. No.	Unit	Reassessed Capacity
	Gas Based Units	MT
1.	Brahmaputra Valley Fertilizers Corporation Limited (BVFCL) – Namrup-II	240000
2.	Brahmaputra Valley Fertilizers Corporation Limited (BVFCL) – Namrup-III	315000
3.	Indian Farmers Fertilizer Cooperative (IFFCO)-Aonla-I	864600
4.	Indian Farmers Fertilizer Cooperative (IFFCO)-Aonla-II	864600
5.	Indian Farmers Fertilizer Cooperative (IFFCO)-Phulpur-I	551100
6.	Indian Farmers Fertilizer Cooperative (IFFCO)-Phulpur-II	864600
7.	Indian Farmers Fertilizer Cooperative (IFFCO)-Kalol	544500
8.	National Fertilizers Limited (NFL) – Vijaipur - I	864600
9.	National Fertilizers Limited (NFL) – Vijaipur - II	864600
10.	National Fertilizers Limited (NFL) – Nangal	478500
11.	National Fertilizers Limited (NFL) – Panipat	511500
12.	National Fertilizers Limited (NFL) – Bhatinda	511500
13.	Krishak Bharati Cooperative (Kribhco)-Hazira	1729200
14.	Rashtriya Chemicals & Fertilizers Limited (RCF)- Thal	1706760
15.	Rashtriya Chemicals & Fertilizers Limited (RCF)-Trombay	330000
16.	Nagarjuna Fertilizers & Chemicals Limited (NFCL) – Kakinada-I	597300
17.	Nagarjuna Fertilizers & Chemicals Limited (NFCL) – Kakinada-II*	597300
18.	Chambal Fertilizers & Chemicals Limited (CFCL)-Gadepan - I	864600
19.	Chambal Fertilizers & Chemicals Limited (CFCL)-Gadepan - II	864600
20.	Yara Fertilizers India Private Limited (YFIPL)-Barbala	864600
21.	Kribhco Fertilizers Limited (KFL) - Shahjahanpur	864600
22.	Kanpur Fertilizers & Cement Limited (KFCL), Kanpur	722700
23.	Shriram Fertilizers & Chemicals Limited (SFC) – Kota	379500

24.	Zuari Agro Chemicals Limited (ZACL) – Goa	399300
25.	Gujarat Narmada Valley Fertilizers Company Limited (GNVFC)-Bharuch	636900
26.	Gujarat State Fertilizers & Chemicals Limited (GSFC)-Vadodara	370590
27.	Grasim Industries Limited - Jagdishpur	864600
28.	Matix Fertilizers & Chemicals Limited, Panagarh**	1270500
29.	Chambal Fertilizers & Chemicals Limited (CFCL)-Gadepan – III	1270500
30.	Madras Fertilizers Limited (MFL)-Manali	486750
31.	Mangalore Chemicals & Fertilizers Limited (MCFL)- Mangalore	379500
Naphtha Based Units		
32.	Southern Petrochemicals Industries Limited (SPIC)-Tuticorin	620400

ANNEXURE-I.

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

Shastri Bhawan, New Delhi.
8th March 2007

To,

The Executive Director,
Fertilizer Industry Coordination Committee,
8th 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 30th 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.

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(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.

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(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 8 Naptha 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

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capacity utilization) in the 1st year (1.4.2007) and 50% of the fixed cost beyond 93% capacity utilization from 2nd 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-vattable.

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 Singh) 3/3

Joint Secretary to the Government of India
Tel No. 23381294

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

* Not in production.

7 of 9

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 4th 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 8th 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;

879

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

999

No. 12012/3/2010-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

New Delhi, the 2nd April, 2014

To

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

Subject: Modified NPS-III for existing urea units.

Sir,

I am directed to convey the approval of Government of India for Modified NPS-III for existing urea units as under:

2. Duration of Modified NPS-III

The Modified NPS-III policy will be implemented for a period of one year from the date of issue of this notification. Thereafter, the policy will be reviewed taking into account prevailing energy scenario, production and supply scenario, international trend of urea prices etc., at that time.

3. Concession rates of urea units

The calculation of concession rates of urea units shall continue as per NPS-III and its amendments subject to the following modifications:

3.1 Additional Fixed cost

(a) The maximum additional fixed cost (towards increase in the four components, viz., salaries & wages, contract labour, selling expenses and repair & maintenance) of Rs. 350/MT to existing urea units or actual increase in above four components of fixed cost during the year 2012-13 compared to the year 2002-03, whichever is lower will be paid. This will be based on the certified cost data for above four components for the year 2012-13 to be provided by all urea Units.

(b) In respect of KFCL and BVFCL-II units, for which cost data of four components is not available either for the year 2002-03 or 2012-13, the

actual increase in these four components as per the certified cost data for the latest year over and above Rs. 521/MT (weighted industry average during 2002-03) subject to maximum of Rs. 350/MT will be allowed.

3.2 Minimum Fixed Cost

The minimum fixed cost of Rs. 2300/MT or actual fixed cost prevailing during 2012-13, whichever is lower, after taking into account the compensation at 3.1 (a) and (b) above, will be paid. This will be based on certified fixed cost data for the year 2012-13, to be provided by all urea units.

3.3 Special compensation to Urea Plants which have Completed 30 Years and Converted to Gas

The special compensation of Rs. 150/MT will be paid to gas based urea plants which have converted to gas and are more than 30 years old. This is in addition to para 3.1 and 3.2 above.

3.4 It has been decided to phase out old and inefficient units in due course of time after addition of new capacity.

4. Continuing the production from high cost units

The production of the high cost naphtha based urea units namely SPIC Tuticorin, MFL Manali and MCFL Mangalore will continue under modified NPS-III till the gas availability and connectivity is provided to these units or June, 2014 whichever is earlier, beyond which subsidy for naphtha based plants will not be paid. However, no new naphtha based plants will be permitted in Greenfield investments.

5. Reimbursement to naphtha & FO/LSHS based units

The existing system of recognizing costlier feed/fuel stock of naphtha/FO/LSHS will continue and existing system of incentivizing these units for energy savings on the basis of actual input mix including 100% Naphtha/FO/LSHS as in force will continue up to June 2014 or till such time they convert to gas whichever is earlier.

6. Continuing Pre set Energy norm of Naphtha units converting to gas

The data of investment for conversion from Naphtha as feedstock to gas and actual energy consumption achieved after conversion from each 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 norms will be allowed, which shall not be more than five years from the date of conversion so that each unit may be in position to recover the investment with interest thereon from energy savings.

7. Continuance of amended provisions notified under NPS-III

The following amended provisions notified under NPS-III will continue:

- (a) The provision as contained in Para (ii) of Notification No.12012/19/2007-FPP dated 10th July, 2009 regarding reduction in fixed cost of each urea unit due to group averaging principle under NPS-III to 10% of normated fixed cost computed under the base concession rates thereby removing the pricing anomaly arising out due to group averaging.
 - (b) The provision as contained in Para (iii) of Notification No.12012/19/2007-FPP dated 10th July, 2009 regarding the detailed parameters for buffer stocking schemes of urea.
 - (c) The provisions as contained in Notification No.12014/1/2008-FPP dated 6th March, 2009 regarding resumption of urea production by RCF-Trombay unit.
 - (d) The provisions of Notification No.12014/1/2008-FPP dated 6th March, 2009 regarding amendment of NPS-III- the policy for restart of existing urea units, the permission granted to DIL/KFCL-Kanpur to restart production on LNG in June 2013 will be covered under the above notification.
 - (e) Notification No.12014/1/2008-FPP dated 6th March 2009 regarding policy for Conversion of FO/LSHS urea units to Natural Gas, Provisions under notifications dated 8th February, 2010 for Conversion of Fuel Oil/ Low Sulphur Heavy Stock (FO/LSHS) based Urea units at Bathinda, Nangal & Panipat of NFL to Natural Gas (NG); Provisions under notifications dated 14th December, 2009 for Conversion of Fuel Oil/ Low Sulphur Heavy Stock (FO/LSHS) based Urea unit at Gujarat Narmada Valley Fertilizer Corporation to Natural Gas (NG).
8. The capacity utilization of two units in post 92 Naphtha based groups namely IFFCO Phulpur-II and CFCL-II, is increased from 95% to 98% on par with gas based units. FICC may re-work the group average of fixed cost for these units.

9. Production above reassessed capacity

- (a) The production above reassessed capacity (RA) is presently governed by gain sharing with respect to IPP as under:
- (i) Beyond 100% of RA and upto 110% of RA: Gain sharing between Government and unit in the ratio of 65:35 with respect to IPP subject to concession rate.
 - (ii) Beyond 110% of RA and upto cut off level: At concession rate subject to overall cap of IPP.
 - (iii) Beyond cut off level: At 85% IPP.
- (b) The production at cut off levels are fixed under Investment Policy (No. 12012/12/2007-FPP dated 04.09.2008) based on highest achieved Metric Tonnes Per Day (MTPD) during 2003-04 to 2006-07. No change is made in the method for incentivizing additional production. The cut off level as per the Investment Policy of 2008 will continue without any change.

10. Distribution and Movement

The distribution and movement of Urea shall be governed by the policy for freight and movement and amendments thereof from time to time. The movement of Urea will continue to be done in accordance with the monthly supply plan drawn by Department of Fertilizers. Movement & Distribution of entire 100% of urea both imported & indigenous will be regulated by movement division through the monthly supply plan.

11. Import of Urea

The provisions of import through three STEs as given in the existing policy of urea at para 10 of notification dated 8th March, 2007 may continue till the time the same is reviewed, if required.

12. Joint ventures abroad

The scheme for Joint ventures abroad covered under NPS-III policy would be covered by New Investment Policy 2012.

13. Taxes on inputs

The policy with regard to recognition of new taxes levied by State Governments from time to time and those not recognized under RPS has been notified vide Notification dated 8th March, 2007, will continue.

14. The NPS-III policy, issued vide notification number 12012/3/2006-FPP dated 8th March, 2007 and as amended from time to time was extended by DoF on provisional basis till further orders vide notification number 12012/9/2009-FPP dated 17th March 2010. NPS-III Policy is deemed to be continued till the date of this notification.

15. In case of any issue/dispute relating to interpretation of the policy, the decision of Department of Fertilizers shall be final.

Yours faithfully,


(Satish Chandra) 2/4/14
Joint Secretary
Ph: 23386800

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

Shastri Bhawan, New Delhi.
25th 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 2nd April 2014, vide which the salient features of Modified New Pricing Scheme (NPS)-III was introduced w.e.f. 02.04.2014 for one year were communicated. It has been decided to implement New Urea Policy-2015 as contained in the succeeding paragraphs.

1. Duration

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

2. Grouping of urea units

2.1 The existing gas based urea units will be classified into the following three groups;

- i. **Group-I** includes the following urea units having pre-set energy norms between 5.0 G Cal/MT to 6.0 G Cal/ MT:
 - a. NFL - Vijaipur-I & II, Kribhco – Hazira, Indo-Gulf –Jagdishpur, IFFCO–Aonla -I & II, KSFL-Shahjahanpur, CFCL Gadepan-I & II, TCL-Babralla, NFCL-Kakinada-I & II and IFFCO-Phulpur-II (Thirteen units).
- ii. **Group-II** includes the following urea units having pre-set energy norms between 6.0 G Cal/MT to 7.0 G Cal/ MT:
 - a. IFFCO-Kalol, GSFC-Baroda, RCF-Thal and GNVFC-Bharuch (Four Units)
- iii. **Group-III** includes the following urea units having pre-set energy norms more than 7.0 G Cal/MT:

a. NFL-Nangal, NFL-Panipat, NFL-Bhatinda, ZACL-Goa, SFC-Kota, RCF-Trombay-V, IFFCO-Phulpur-I and KFCL-Kanpur (Eight units).

2.2 MFL- Manali, MCFL-Mangalore, SPIC Tuticorin, BVFCL - Namrup-II and BVFCL - Namrup-III will not be covered under this scheme because these units are not connected to gas pipeline network in the country.

2.3 BVFCL - Namrup-II and BVFCL - Namrup-III are proposed to be closed and to install a new high efficiency unit and will be dealt separately under their restructuring proposal. Till then, these two units will function under the provisions of Modified NPS-III.

2.4 The twenty five units in para 2.1 above, will be eligible to get the concession rate on the basis of revised energy norms fixed for each group from 1st June, 2015 to 31st March, 2018.

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

3.1 For the year 2015-16 (from 1st June 2015 onwards), 2016-17 and 2017-18, the revised energy norms would be the simple average of pre-set energy norms of NPS-III and average actual energy consumption achieved during the years 2011-12, 2012-13 and 2013-14 or the pre-set set energy norms of NPS-III, whichever is lower.

3.2 Energy Norms for 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,

(Shashi Lal Goyal)

Joint Secretary to the Government of India

011-23388481

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

Copy also to:

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

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

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

To

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

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

Sir,

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

1. MFL-Manali, MCFL-Mangalore and SPIC-Tuticorin are allowed to operate on Naphtha on existing provisions for a period till these plants get assured supply of gas either by gas pipeline or any other means.
2. The units will be eligible for subsidy on the basis of the revised energy norms from the date of this notification (17th June, 2015), which would be the simple average of pre-set energy norms of NPS-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 17th April, 2015 and 24th April, 2015 respectively and the units will be eligible for subsidy on urea production for this period on existing provisions as on 16th April, 2015 till the issue of this notification (17th June, 2015).
7. The specific energy consumption norms for these 3 units from financial year 2018-19 will be 6.5 G.Cal /MT of urea.

Yours faithfully,


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

Copy to:

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

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

New Delhi,
Dated the 28th 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 25th May, 2015 regarding implementation of New Urea Policy (NUP) – 2015 and letter No 12018/4/2014-FPP dated 17th 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. 1st 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 31st 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.

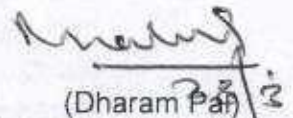
(c) Urea manufacturing units must achieve Target Energy Norms during the extended period of 2018-19 to 2019-20 failing which additional penalties may be imposed on defaulting units in consultation with the Department of Expenditure.

PTO.

(iii) The aforesaid target energy norms may be continued upto 31st March, 2025. Meanwhile, an expert body under NITI Aayog would be engaged to recommend the energy norms to be achieved from 01st 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 17th June, 2015 for another two years i.e. till 31st 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 8th 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 7th July, 2020

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

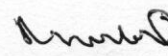
Subject: Revision of Energy Norms under New Urea Policy-2015.

Sir,

I am directed to refer to this Department's letter No 12012/1/2015-FPP dated 25th May, 2015 regarding New Urea Policy for existing gas based urea manufacturing units and 28th 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 30th 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 1st 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,


(Dharam 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 12th 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)

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

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

To

All Chief Secretaries of State Governments

CMD/MDs

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

All Urea Manufacturing units

Subject: **New Investment Policy - 2012**

Sir

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

1 It provides a structure of a floor price and a ceiling price for the amount payable to Urea units, which will be calculated based on the delivered gas price (inclusive of charges & taxes) to respective urea units. The floor and ceiling price of each urea unit shall be operative with respect to the computed Import Parity Price (IPP) (**Annexure-1**). The IPP defined for urea under the investment policy of 2008 is the average C&F price without any applicable custom duties and handling and bagging charges at the port. If the computed IPP (payable) is between the floor and the ceiling price for that gas cost, it is the IPP (payable) which will be used. If the IPP (payable) is above or below the ceiling or the floor respectively, it is the ceiling or floor price that will be acceptable as the case may be.

2 The criteria according to which plants will qualify under different categories namely Revamp, Expansion, Revival and Greenfield shall be as below:

2.1 **Revamp projects:** Any improvement or incremental increase in capacity of existing plants by way of capital investment in the existing train of ammonia-urea production will be treated as revamp of existing units.

2.2 **Expansion or Brownfield projects:** Setting up of a new ammonia-urea plant (a separate new ammonia-urea train) in the premises of the existing fertilizer plants,

utilizing some of the common utilities will qualify for being treated as an expansion project. The investment should exceed a minimum limit of Rs.3000 crore.

2.3 **Revival of closed urea units**: The three closed urea units of Hindustan Fertilizer Corporation Ltd. (HFCL) at Barauni, Durgapur and Haldia, and five closed urea units of Fertilizer Corporation of India Ltd. (FCIL) at Sindri, Talcher, Ramagundam, Gorakhpur and Korba being proposed for revival shall fall under 'Revival of closed urea units'.

2.4 **Greenfield Projects**: Any urea unit which shall be set-up at the project site where no previous similar manufacturing facilities existed i.e. acquisition of land followed by construction of an ammonia-urea plant with storage facilities, transportation facilities, water and sewage treatment etc. shall be treated as a Greenfield project.

3 **Greenfield /Revival of Closed HFCL & FCIL Projects**

- (i) At a delivered gas price of up to USD 6.5 per mmbtu for Greenfield/Revival Urea units
 - (a) the Floor price is fixed at **USD 305** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 335** per MT of Urea
- (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the
 - (a) Floor and Ceiling price by USD 2 per MT up to a delivered gas price of USD 14 per mmbtu.
 - (b) Floor by USD 2 per MT for delivered gas price exceeding USD 14 per mmbtu.
- (iii) The urea from Greenfield/Revival of closed urea units of HFCL and FCIL units will be recognized at a uniform rate of 95% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 3 (i) and 3 (ii) above.

4 **Substantial Expansion or Brownfield Projects**

- (i) At a delivered gas price of upto USD 6.5 per mmbtu for Expansion/Brownfield Urea units
 - (a) the Floor price is fixed at **USD 285** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 310** per MT of Urea
- (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the

- (a) Floor and Ceiling price by USD 2 per MT up to a delivered gas price of USD 14 per mmbtu.
- (b) Floor by USD 2 per MT for delivered gas price exceeding USD 14 per mmbtu
- (iii) The urea from Expansion / Brownfield Urea units will be recognized at a uniform rate of 90% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 4 (i) and 4 (ii) above.

5 **Revamp Projects**

- (i) At a delivered gas price of upto USD 7.5 per mmbtu for new Revamp Urea units
 - (a) the Floor price is fixed at **USD 245** per MT of Urea
 - (b) the Ceiling price is fixed at **USD 255** per MT of Urea
- (ii) For each 0.1 USD per mmbtu revision in delivered gas price, it will correspondingly change the
 - (a) Floor and Ceiling price by USD 2.2 per MT up to a delivered gas price of USD 14 per mmbtu.
 - (b) Floor by USD 2.2 per MT for delivered gas price exceeding USD 14 per mmbtu.
- (iii) The urea from Revamp Urea units will be recognised at a uniform rate of 85% of IPP (C&F) subject to floating floor and ceiling prices mentioned at 5 (i) and 6 (ii) above. These will be applicable for all output above the "cut-off" point.
- (iii-a) **Cut-Off Quantity** - The urea produced from existing units beyond their reassessed capacity under NPS or the maximum achieved capacity by a unit for 330 days in last four years (2003-07), whichever is higher (cut off quantity), is recognised as the production under revamp of the existing unit. However, the urea produced under revamp quantity will only be eligible for the above dispensation once the total production of the unit crosses 105 per cent of the cut off quantity or 110 per cent of the reassessed capacity, whichever is higher.
- (iv) No Administered Pricing Mechanism (APM) gas shall be considered for allocation for production beyond cut-off quantity.
- (v) The Urea units, which have undertaken revamp and are already availing the provisions of the Investment Policy of 2008, will remain under the Investment

Policy of 2008. In the event of doubling of gas price from USD 4.88 per MMBTU (base price including applicable taxes) for a unit under the Investment Policy of 2008, appropriate revision will be worked out under that Policy, in consultation with the Department of Expenditure.

- (vi) Any further revamp undertaken by an already revamped unit, will be considered to be eligible under the same Revamp policy as that applicable to the original revamp. In case a unit under the policy of 2008 undertakes further revamp and the additional quantity is more than 10% of the present production (maximum production in any continuous one year period of the last three years, which should not be less than the quantity produced in similar period of previous years after implementation of NIP-2008 policy), the Urea unit may opt for the dispensation as mentioned at 5 (i, ii and iii). Once new investment policy gets applied on the unit for the extra production beyond 10% of existing production as discussed above, the entire revamp production from the unit (existing & new combined) will be recognised as per NIP-2012. The option will have to be exercised by the unit within three months of start of new increased production.

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

In the event the delivered gas price crosses USD 14 per mmbtu, the units (whether revamp, expansion, brownfield, greenfield or revival) shall be paid only the floor price based on the delivered gas price as mentioned at 3(ii)(b), 4(ii)(b) and 5(ii)(b). All other conditions like ceiling price and recognition of urea w.r.t IPP shall become non-operational.

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

- 7.1 The increase/decrease of the floor and ceiling price will be calculated at the end of each quarter, on the basis of average gas price of previous three months. Accordingly, IPP shall also be calculated for each quarter for each plant.
- 7.2 The price of the delivered gas will be calculated based on delivered gas price as certified by MoPNG/Central PSU/State PSU.
- 7.3 The policy shall be applicable to urea units to be based on gas i.e. natural gas (domestic/RLNG) and CBM. In case of CBM, price of NG equivalent of CBM as given by Public agency will be considered. For revival of closed urea units based on coal gasification and Greenfield projects based on coal gasification,

a dispensation that is the same as that of CBM will be extended after arriving at equivalent NG price.

- 7.4 While fixing the floor and ceiling price of Greenfield, Revival, Brownfield and Expansion urea units, It has been presumed that the delivered cost of CBM/Actual mix of gas to the urea unit shall not be less than USD 6.5/mmbtu.

8 Time period for the investment policy

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

9 Mandating of Granulated Urea / Coated Urea

- 9.1 In order to improve the efficiency in the use of Urea, as a part of product management strategy, all new urea capacities in the country are mandated to produce Urea in granulated form or coated/fortified Urea. Taking into account the additional investment on account of a granulation plant and the incremental operating costs, an additional amount of USD 10 per MT, is allowed in the floor and ceiling prices for all plants – Greenfield/Revival/Brownfield–producing Granulated Urea.
- 9.2 As part of the present policy, an additional 5% / 10% additional MRP may be allowed in case of Neem coated / Zincated Urea.

10 Joint Venture Units

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

11 Dispensation for Units in North East

- 11.1 For units coming up in the North Eastern States, the special dispensation regarding pricing of gas that is being extended by the Central Government/

State Government will also be available to any new Investments in the region as well. Suitable adjustments will be made to the applicable floor and ceiling prices in case the delivered price (after allowing for the special dispensation) falls below USD 6.5 per mmbtu, subject to approval of Ministry of Finance.

12. As per the budget provisions announced for 2012-13, capital investment in fertiliser sector has been made eligible for Viability Gap Funding (VGF) under the Scheme for Support to PPP in infrastructure sector. However no VGF shall be allowed to Urea units in Public or Private sector. In case incentives under VGF are required to be extended to Fertilizer units being set up in remote areas/difficult terrains like north east or units which are based on coal gasification, where the capex involved is substantially higher, the same will be examined by DOF in consultation with DoE on case to case basis.
13. The broad stages for setting up a urea project are given at **Annexure-2**. Since the policy envisages payment of subsidy/ incentives to the urea units by the Government, all the urea units who plan to set-up urea units in the country should mandatorily provide information at beginning and completion of each stage of the project as given at **Annexure-2**. This is also required to assess the demand and production gap in the country as well as the cost of gas expected to be used in production of urea from new investments.
14. The policy will be effective from the date of notification.

Yours sincerely



(Satish Chandra)

Joint Secretary to the Government of India

Tele : 23386800

Copy to:

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

Copy also to :-

Smt. Anu Garg, Joint Secretary, Prime Minister's Office, South Block, New Delhi.

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

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

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

Where,

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

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

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

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

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

Broad stages of a urea project

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

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

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

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

To

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

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

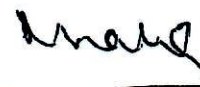
Sir,

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, 8th Floor, Sewa Bhawan, New Delhi - 110066.
8. Director (CE), FICC, 8th 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

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

Shastri Bhawan, New Delhi,
Dated the 28th 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. 01st 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 18th 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. 01st 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 25th May, 2015.

To

CMD/MDs

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

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

Sir

In continuation to Department of Fertilizers letter of even number dated 2nd June, 2008, 11th January 2011, 7th January, 2015 and 24th March, 2015 on the subject mentioned above, the undersigned is directed to state that it has now been decided to make it mandatory for all the indigenous producers of urea to produce 100% of their total production of subsidized urea as Neem Coated urea.

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

Yours Sincerely,

Vsingh
(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.

No.12012/2/2008-FPP
 Government of India
 Ministry of Chemicals & Fertilizers
 (Department of Fertilizers)

Shastri Bhawan, New Delhi,
 Dated the 17th July, 2008.

To

CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCU/
 CFCL/TGL/ZIL/INDO-GULF/SPIC/KSFL/MCFL/FACT/FCIL/HFCL/IPL

SSP Manufacturers as per List annexed.

Subject: Policy for uniform freight subsidy on all fertilizers under the fertilizer subsidy regime.

Sir,

I am directed to convey the approval of the Government for a separate uniform freight subsidy policy on all subsidised fertilizers covered under the New Pricing Scheme Stage-III (NPS-III) for indigenous urea and the Concession Scheme on P&K fertilizers being administered by the Department. The policy will also be applicable on imported Urea subject to contractual obligations, if any. The salient features of the policy are as below:

- a) The rail freight expenditure for transportation of fertilizers will be paid as per the actual expenditure based on actual lead.
- b) The road freight towards transportation of fertilizers from nearest railway rake point to block, or from manufacturing unit /port directly by road to block, consists of two elements- lead distance and per KM rate. This element of subsidy will be paid as below:
 - i) The lead distance for each block in the district will be based on the average district lead (average of leads from nearest rail rake point to block headquarters).
 - ii) The per KM road freight will be paid on the basis of average of existing per KM rate for each State in the country, being adopted by FICC for reimbursement of freight subsidy for indigenous urea, under NPS-III.
 - iii) It will be implemented retrospectively w.e.f. 1.4.08.
- c) The normative per KM rate will be annually escalated/de-escalated based on a composite road transport index (weighted average of the WPIs of HSD oil, Motor Tyres, Truck Chassis and All Commodities) as already being done under NPS-III.
- d) The manufacturing units (especially the SSP units) not having railway siding facilities, will also be reimbursed the road transportation costs from their unit to the

FROM :

PRX NO. :

Jul 17 2008 05:00PM PT

nearest rail rake point based on actual leads and the per tonne per KM rate, as computed in paras above.

e) The freight subsidy will be paid on actual movement of fertilizers up to the block level based on monthly district-wise/block movement plans. The subsidy will be released only after the fertilizer reaches the District/Block as per the monthly plan. Any additional supply beyond 10% of the monthly plan will be eligible for subsidy only after 120 days of its receipt in the district, provided it is accounted for in the subsequent month's plan.

f) The State Governments will be responsible for confirming the receipts of fertilizers as indicated in the movement plan in the FMS. They are required to either confirm or deny the receipts of fertilizers within 30 days, whereafter the final freight subsidy will be released to the manufacturers/importers. However, in case of any report of any non-receipt/shortfall, the difference in freight subsidy will be suitably recovered.

g) The policy is proposed to be implemented from 1st April, 2008. Where the concession price of a fertilizer includes a fixed freight subsidy, payments so made from 1st April, 2008 till the date of Notification will be adjusted against the freight subsidy to be paid under this policy. For SSP, the first stage is proposed to be implemented from 1st October, 2008.

h) The special freight re-imburement scheme for J&K and North Eastern States stands withdrawn as the freight will be now based on actual leads.

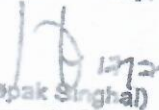
2. The manufacturers/importers will make separate claims for freight subsidy on monthly basis in the prescribed proformas which will be separately circulated along with guidelines for the same. A freight module under FMS, for generation of freight claims are being separately worked out and will be put in place shortly. In the interim, it is proposed to pay the freight on the basis of average per tone rates indicated below.

i) Indigenous Urea	-	Rs.616 per MT
ii) Imported Urea	-	Rs.850 per MT
iii) Indigenous DAP/MAP	-	Rs.770 per MT
iv) Imported DAP/MAP/TSP	-	Rs.850 per MT
v) MOP	-	Rs.823 per MT
vi) Complex Fertilizers	-	Rs.616 per MT
vii) SSP (w.e.f. 1.10.08)	-	Rs.616 per MT

3. The base concession rates and final concession rates for P&K fertilizers will be devoid of freight element from 1st April, 2008 onwards and for SSP, from 1st October, 2008 onwards. The provisions of New Pricing Scheme Stage-III for freight subsidy on indigenous urea will stand amended w.e.f. 1st April, 2008.

4. The manufacturers/importers will have to ensure provision of details of movement and receipts of fertilizers in various districts/blocks in the country, on the Fertilizer Monitoring System (FMS), in order to be eligible for freight subsidy.
5. The above will be applicable till further orders.

Yours faithfully,



(Deepak Singhal)
Joint Secretary to the Government of India
Tel No 23391294

Copy to:

1. Chief Secretaries 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, Planning Commission.
3. Director General, Fertilizer Association of India, 10, Shaheed Ji Singh Marg, New Delhi - 110 067
4. All Officers/Sections in the Department of Fertilizers and Office of FICCI.

Copy also to:

Smt. Vini Mahajan, Joint Secretary, Prime Minister's Office, South Block, New Delhi.

Annexure

List of SSP Manufacturers under Concession Scheme

- Phosphate Company Ltd., West Bengal
- Tata Chemicals Ltd., West Bengal
- Jubilant Organosis Ltd., U.P.
- Coromandal Fertilizers Ltd., Tamil Nadu
- Khaitan Chemicals & Fertilizers Ltd., M.P.
- Rama Phosphates Ltd., M.P.
- BEC Fertilizers Ltd., Chhatisgarh.
- Dharamsi Morarji Chemicals Ltd., Maharashtra.
- Rama Krishi Rasayani, Maharashtra.
- Liberty Phosphates & Fertilizers Ltd., Rajasthan.
- Teesta Agro Ltd., West Bengal.

Statement showing per Kilo Gram NBS rates for nutrient N, P, K and S for the year 2010-11 to 2020-21

(a) Per Kg NBS rates for nutrients N, P, K, S for the 2010-11 to 2020-21:

NBS rates (Rs. per Kg)												
Nutrients	1 st Apr - 31 st Dec 2010 *	1 st Jan- 31 st Mar 2011**	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
'N' (Nitrogen)	23.227	23.227	27.153	24.000	20.875	20.875	20.875	15.854	18.989	18.901	18.901	18.789
'P' (Phosphate)	26.276	25.624	32.338	21.804	18.679	18.679	18.679	13.241	11.997	15.216	15.216	14.888
'K' (Potash)	24.487	23.987	26.756	24.000	18.833	15.500	15.500	15.470	12.395	11.124	11.124	10.116
'S' (Sulphur)	1.784	1.784	1.677	1.677	1.677	1.677	1.677	2.044	2.240	2.722	3.562	2.374

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

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

(b) Per MT subsidy on different P&K fertilizers during 2010-11 to 2020-21:

Sl. No.	Fertilizer Grades(FG) (N P K S nutrient)	2010-11		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
		1.4.2010 to 31.12.2010	1.1.2011 to 31.3.2011										
1.	DAP (18-46-0-0)	16268	15968	19763	14350	12350	12350	12350	8945	8937	10402	10402	10231
2.	MAP (11-52-0-0)	16219	15879	19803	13978	12009	12009	12009	8629	8327	9991	9991	9809
3.	TSP (0-46-0-0)	12087	11787	14875	10030	8592	8592	8592	6091	5519	6999	6999	6848
4.	MOP (0-0-60-0)	14692	14392	16054	14400	11300	9300	9300	9282	7437	6674	6674	6070
5.	SSP (0-16-0-11)	4400	4296+200	5359	3676	3173	3173	3173	2343	2166	2734	2826	2643
6.	16-20-0-13	9203	9073	11030	8419	7294	7294	7294	5451	5729	6421	6530	6292
7.	20-20-0-13	10133	10002	12116	9379	8129	8129	8129	6085	6488	7177	7286	7044
8.	20-20-0-0	9901	9770	11898	9161	7911	7911	7911	5819	6197	6823	6823	6735
9.	28-28-0-0	13861	11678	16657	12825	11075	11075	11075	8147	8676	9553	9553	9430
10.	10-26-26-0	15521	15222	18080	14309	11841	10974	10974	9050	8241	8739	8739	8380
11.	12-32-16-0	15114	14825	17887	13697	11496	10962	10962	8615	8101	8917	8917	8637
12.	14-28-14-0	14037	13785	16602	12825	10789	10323	10323	8093	7753	8464	8464	8215
13.	14-35-14-0	15877	15578	18866	14351	12097	11630	11630	9020	8593	9529	9529	9258
14.	15-15-15-0	11099	10926	12937	10471	8758	8258	8258	6685	6507	6786	6786	6569
15.	17-17-17-0	12578	12383	14662	11867	9926	9359	9359	7576	7375	7691	7691	7445
16.	19-19-19-0	14058	13839	16387	13263	11094	10460	10460	8467	8242	8596	8596	8321
17.	Ammonium Sulphate (20.6-0-0-23)	5195	5195	5979	5330	4686	4686	4686	3736	4408	4501	4694	4398
18.	16-16-16-0(w.e.f. 1.7.2010)	11838	11654	13800	11169	9342	8809	8809	7130	6941	7239	7239	7007
19.	15-15-15-9 (w.e.f. 1.10.2010)	11259	11086	13088	10622	8909	8409	8409	6869	6709	7031	7107	6783
20.	24-24-0-0(from 1.10.10 to 29.5.12 and w.e.f. 22.6.2012)	11881	11724	14278	10993	9493	9493	9493	6983	7437	8188	8188	8082
21.	24-24-0-8 (wef 12.11.13 to 14.2.15) without subsidy on S	NA	NA	NA	NA	9493	9493	9493	6983	7437	8188	8188	8002
22.	14-28-0-0 (w.e.f. 1.4.2020)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6799

NA means not covered under NBS regime

(c) An amount of Rs. 300 PMT and Rs 500 PMT additional subsidy is provided on subsidized P&K fertilizers fortified/coated with micronutrients namely Boron (B) and Zinc (Zn) respectively during the year 2010-11 to 2020-21.