



सत्यमेव जयते

GOVERNMENT OF INDIA

**OUTCOME BUDGET
2016-2017**

**DEPARTMENT OF FERTILIZERS
(MINISTRY OF CHEMICALS & FERTILIZERS)**

Preface

1. This document highlights the specific objectives of the Department of Fertilizers and the projects, programmes and activities designed to achieve them, the achievements against the targets for 2015-16 and the targets set for 2016-17.
2. Chapter-I contains a brief introduction on the objectives of the Department, the classification and the organizational set up of the Department for implementation of its programmes/activities.
3. Chapter-II contains a tabular format of Budget 2016-17 in respect of Department of Fertilizers (Grant No. 7). The main objective is to establish a one to one correspondence between Financial Budget 2016-17 and Outcome Budget 2016-17. The details comprise of the financial outlays, projected physical outputs and projected/ budget outcomes.
4. Chapter-III gives details of the reform measures and policy initiatives taken by the Department.
5. Chapter-IV gives a review of past performance of various activities of the Department and Public Sector Undertakings (PSUs) under the administrative control of the Department.
6. Chapter-V contains break-up of the financial outlays under various projects, programmes and activities for Budget Estimates 2015-16, Revised Estimates 2015-16 and Budget Estimates for 2016-17 as finalized by the Department in consultation with the Ministry of Finance.

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CHAPTER- I

INTRODUCTION

1. Government of India has been consistently pursuing policies conducive to increase the availability and consumption of Chemical fertilizers in the country and thereby maximizing agricultural production in the country. To achieve this objective, the government promotes and assists industries in the fertilizer sector and also plans and arranges import and distribution of fertilizers in the entire country.
2. The main activities of the Department in relation to the industry are overall sectoral planning, development and regulation of the industry as well as monitoring of production, pricing and distribution of the output, i.e., Fertilizers. The activities of the Department also include the administrative control of the Public Sector Undertakings in these areas.
3. The Department of Fertilizers is a Department under the Ministry of Chemicals & Fertilizers under the overall charge of Minister for Chemicals & Fertilizers with a Minister of State to assist. Secretary to the Government is the administrative head of the Department and is assisted by three Joint Secretaries and an Economic Advisor of the rank of Joint Secretary. A Financial Advisor of the rank of Special Secretary advises the Secretary in financial matters. He heads the Finance Division and Accounts Wing of the Department. The Department disburses subsidies to manufacturers/importers of decontrolled fertilizers under the Nutrient Based Subsidy Scheme which is being administered by the Department to make these fertilizers available to the farmers at the reasonable price.
4. There is one attached office under the Department, viz., the office of the Executive Director, Fertilizer Industry Coordination Committee (FICC). This office provides the Secretarial support to the Fertilizer Industry Coordination Committee constituted to administer the Price for Nitrogenous Fertilizers and various incentive schemes to augment indigenous Urea production of fertilizers.

5. The Department has administrative control of following Nine (09) PSUs: -
 - i) National Fertilizers Limited
 - ii) Rashtriya Chemicals and Fertilizers Limited
 - iii) Brahmaputra Valley Fertilizer Corporation Limited.
 - iv) Madras Fertilizers Limited
 - v) The Fertilizers and Chemicals Travancore Limited
 - vi) FCI Aravali Gypsum Minerals India Limited
 - vii) Projects and Development India Limited
 - viii) Fertilizer Corporation of India Limited
 - ix) Hindustan Fertilizer Corporation Limited

6. The Department of Fertilizers is responsible for adequate and timely supply of fertilizers at affordable price in the country. Department of Agriculture assesses the requirement and the Department of Fertilizers plans and monitors indigenous production, imports and distribution of fertilizers along with management of financial assistance by way of subsidy /concession for indigenous and imported fertilizers.

7. Payment of subsidy on P & K fertilizers is governed by Nutrient Based Subsidy Scheme which has been implemented with effect from 1st April, 2010. Subsidy on indigenous urea is paid to the producing units as per the provisions of modified New Pricing Scheme-III/ New Urea Policy-2015. Apart from this, imports of urea on Government account are also made to bridge the gap between the domestic production and requirement of Urea as projected by the Department of Agriculture and Cooperation.

8. Due to raw material constraints, country can be self-reliant only in case of production of Urea. For Phosphoric fertilizers, country is dependent on imports of raw material/intermediates for indigenous production to a large extent, but for Potash, it is fully dependent on imports.

9. The New Urea Policy-2015 is aimed at promoting further investment in the urea sector to maximize urea production from the existing urea units, including through conversion of non-gas based units to gas, incentivizing additional urea production and encouraging Investment in joint venture projects abroad. The policy is aimed at establishing a more efficient urea

distribution and movement system in order to ensure availability of urea in the remotest corners of the country.

10. International fertilizer scenario is monitored by the Department of Fertilizers on regular basis in order to enter market at favourable price situation for imports. Outcome of these measures are reflected in terms of increased and timely supply of various fertilizers on time and in all parts of the country at affordable price for increased agriculture production in the country.

CHAPTER – II

(₹ in crore)

DEMAND NO. 7

S No	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factors
1	2	3	(i)	(ii)	(iii)	5	6	7	8
			Non Plan Budget	Plan Budget	Complementary Extra Budgetary Resources				
1	Secretariat- Economic Services 3451	Payment of salary to employees and other day to day expenditure for efficient working of the Department.	29.31	--	--	--	Salary will be paid to the employees on monthly basis. Other Secretariat expenses viz Travel Expenses, Office Expenses etc will also be made.	Salary to be made on monthly basis and other Secretariat expenditure as and when required for efficient functioning.	
2	Nutrient Based Subsidy Policy-MH 2401 (a) Indigenous P&K Fertilizers	To ensure adequate and timely availability of fertilizers at affordable prices to increase usage of fertilizers to increase agriculture productivity & maximizing production in the country.	12000.00	--	--	It is proposed to provide approximately 34.43 Lakh Ton of indigenous DAP, 59.48 Ton of SSP and 82.90 Lakh Ton of complex fertilizers to farmers at affordable rates by giving subsidy under the NBS scheme.	The availability of these indigenous produced decontrolled P&K fertilizers to the farmers at indicative MRPs notified by the Government under the NBS scheme will improve application of P&K nutrients in the soil leading to balance fertilizers.	The payment of subsidy is released to the manufacturers on the sales of decontrolled fertilizers made by them for direct agricultural use. 90% or 85% on account subsidy payment is released on the basis of statutory Auditors' certificate and the balance payment is released on the basis of confirmation of receipts by respective State Governments. The payments are expected to be/are disbursed throughout the year based on actual month wise supplies.	
	(b) Imported P&K Fertilizers		6999.99	--	--	It is proposed to provide 89.70 Lakh Ton of imported	The availability of the imported decontrolled P&K		

	c) City Compost		0.01	--	--	<p>DAP & 47.93 Lakh Ton of imported MOP and 31.30 Lakh Ton of imported NPK Complexes at affordable rates by giving subsidy under the NBS scheme.</p> <p>Token provision has been made for payment of subsidy to City Compost.</p>	<p>fertilizers to the farmers at affordable price to achieve the goal of balanced use of fertilizers.</p> <p>The provision will be made to promote use of City Compost for enhancing agricultural output.</p>		
3	<p>Urea Subsidy MH-2852</p> <p>(a) Indigenous Urea along with freight subsidy</p> <p>(b) Imported Urea</p> <p>(i) Gross</p> <p>(ii) Recoveries</p> <p>(iii) Net</p>	<p>To ensure adequate and timely availability of fertilizers at affordable prices notified by the Government. Increased Usage of Fertilizers is expected to increase agriculture productivity and maximizing agricultural production in the country.</p>	40000.00	--	--	<p>It is estimated that approx. 237.89 LMT of indigenous manufactured Urea will be made available to farmers at the statutory MRP notified by the Government.</p> <p>Approximately 80 Lakh Ton of Urea is expected to be imported to bridge the gap between the assessed requirement and estimated production of urea in the country for 2016-17. Urea will be imported on Government account and the sale price recovered from the farmers will be deposited in the recovery head of account of the Government. It is estimated that approximately 20 lakh MT of granular urea from OMIFCO and 60 lakh MT of prilled urea from other sources will be imported during the year 2016-17 from the given funds.</p>	<p>The production and availability of 237.89 LMT of indigenous urea will ensure adequate availability of urea at the statutory MRP notified by the Government. This will lead to increased agriculture productivity and will help maximize food production in the country.</p> <p>The imports of urea will bridge the gap between demand & production. This will ensure adequate availability of urea to the farmers at the statutory MRP notified by the Government.</p>	<p>The payment of subsidy is released to the manufacturer based on month wise receipt of fertilizers in the districts. The release of subsidy is a continuous process spread over all 12 months' period of the year.</p> <p>The import will be done through the State Trading Enterprises in accordance with the assessed monthly requirements of urea and actual sales vis-a-vis the estimated sales in various months. The import is expected to continue throughout the year.</p>	

Statement of Outlays and Outcome targets 2016-17

NATIONAL FERTILIZERS LIMITED									
S. No	Name of Scheme/ Programme	Objective/ Outcome	Annual Plan 2016-17	Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timelines	Remarks		
1	2	3	4	5	6	7	8		
			4 (i)	4 (ii)	4 (iii)				
			Non-Plan Budget	Plan Budget	Complementary Extra-Budgetary Resources				
1.	Renewals & replacement including Science & Technology	To maintain the health of the plant	127.69		For maintaining the 100% level of production and optimizing energy consumption	To maintain the health of the plant	2016-17 (on going schemes)	This is an ongoing scheme in which equipment identified for replacement are replaced to maintain the health of the plant.	
2.	Up gradation of Instruments & Electrical System	Minimize tripping and improved productivity.	26.65		Reductions in avoidable tripping of the plant and thereby bring stability in operations of Plant.	Minimize tripping and improved productivity.	2016-17 (on going schemes)	This is an ongoing scheme. It represents expenditure on Equipment / Systems for ensuring stable operations of the Plants. This is a continuous exercise to ensure full capacity utilization.	
3.	Information Technology	To improve the speed and the quality of information and data communication	7.00		Availability of timely and relevant information for decision making	To improve the speed and the quality of information and data communication	2016-17 (on going schemes)	A budget allocation of ₹ 7 crore has been made for procurement of new desktop computers / UPS against replacement of old/ obsolete PC's procurement. It also includes expenditure on feasibility study on ERP and implementation of ERP in phased manner for 2016-17 onwards.	

F)	of Auditorium and Guest House at Corporate Office Noida		0.60							to 2016-17	Guest House and Stone cladding work at Noida Corporate Office
G)	Research & Development		1.00							2016-17	Budget allocation of ₹ 1 crore has been made for Research & Development activities.
	Total		415.94								

Rashtriya Chemicals & Fertilizers Ltd.
Statement of Outlays & Outcomes/Targets (2016-17)

(Rs. in Crore)

S. No.	Name of Scheme/Programme	Objective/Outcome	Annual Plan 2016-17			Quantifiable deliverables	Projected Outcomes	Processes/ Timelines	Remarks
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
1	Information Technology	To improve speedy and correct flow of information within the organization		8.98		This will help the company in planning & Optimising the resources and improve surveillance, security etc.	Improved information technology infrastructure for better control and decision making	Various dates	Upgradation of existing hardware including servers/storage, SAP upgrade and installation of CCTVs
2	Renewals & Replacement & other small schemes and studies for new projects.	For upkeep of the health of the plant		223.17		Energy reduction, normal replacements etc.	For upkeep of the health of the plant	Various dates	
3	Additional Ammonia Urea at Thal	To meet the shortage of urea in the country		1,931.00		3850 MTPD UREA	To meet the shortage of urea in the country	Jul-18	Price bid opened, LSTK vendor identified, PIB / CCEA approval being sought
6	JV Others (Incl.Talcher and JV abroad)			17.50		JV with GAIL/GIL/FCI for coal gasification based Ammonia Urea project & setting up JV abroad.	Bridge demand and supply gap in country	Apr-19	
7	Sewage water Treatment Plant at Trombay	To set up additional Sewage treatment Plant at Trombay		124.79		To set up additional STP plant capable to treat 5 MGD sewage producing 3.5 MGD water	Trombay unit is expected to become self-sufficient in its water requirement.	Apr-17	Work Order awarded to SMC Infrastructures Pvt. Ltd & DOSHION VEOUA WATER SOLUTIONS
8	Installation of Gas Turbine at Thal			262.08		To improve plant reliability and plant operations and reduce energy consumption	To improve plant reliability and plant operations and reduce energy consumption	Apr-17	

9	Township Redevelopment	To improve township infrastructure Trombay		23.40				Improvement in existing and new township infrastructure	Mar-16	First phase completion expected
10	SolarEnergy 2 MW/	To harness renewable energy		-			Setting up of 2 MWp grid connected Solar plant at Trombay	Harnessing renewable energy	Jan-16	Expected completion in Jan 16
11	Trombay Urea-V Revamp project - Casale	To reduce specific Energy consumption of Urea plant.		30.00			Expected Energy reduction in Specific energy consumption by 0.266 MKcal/MT.	Expected Energy reduction in Specific energy consumption by 0.266 MKcal/MT.	28 months from Effective Date	Expected completion by May '18
12	Trombay Urea-V Revamp Project - NIK			4.98					Supply of Equipment by 01.03.2016	Expected completion by April '16
13	Installation of Gas Turbine @ Trombay (Estimated Cost	Installation of more efficient Gas Turbine Generator in place of existing Steam Turbine Generator for captive power generation		5.00			Gas Turbine Generator of 32 MW ISO 2 nos	Saving in Power cost and Water Cost. However there will be increase in natural gas cost.	24 months from Zero date	24 months from Zero date after preparing Detailed Feasibility Report (DFR) and identify preferred Bidder.
	TOTAL			2,630.90						

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED,
Statement of Outlays & Outcomes / Targets (2016-17)

Sl no	Name of Scheme/programme	Objective/Outcome	Annual plan 2016-17			Quantifiable deliverables	Project Outcomes	Process/ timelines	Remarks
			4 (i)	4 (ii)	4 (iii)				
1	2	3				5	6	7	8
1	Renovation/ Renewal & replacement of Mechanical assets of the Namrup Plants (Namrup-II & III) including Required Catalysts.	To establish reliability of old and obsolete assets of the plant for safe & uninterrupted operation.		1370.00		Enhanced assets productive life and better plant stream days resulting improved productivity.	Lower down time by 10%-12% and higher production by 10%.	In phases by October 2017.	Processing started, procurement commitments shall depend on the fund viability.
2	Upgrading / Renewal & replacement of Electrical Systems of the Namrup Plants (Namrup-II & III)	To establish reliability & safety in operation of old and obsolete systems.		221.00		Enhance safety and lower power failure thereby reduction of plant downtime.	Lower accidents and higher plant stream days & productivity.	In phases by December 2017	– do –
3	Upgrading / Renewal & replacement of Instrument Items of the Namrup Plants (Namrup-II & III)	To ensure smooth and safe operation of plants through improved control and shut-down system		299.00		Enhance reliability and improved productivity in operation.	Lower plant interruption safe shutdown and higher productivity.	In phases by March 2018	– do –
4	Strengthening of Civil Structure of the Urea-III Prilling Tower.	To rebuild the eroded civil work of the prilling tower and ensure safety.		280.00		Enhancing life & Safety of the Civil structure.	Safety and reliability of operation.	By October 2017.	– do –
5	Addition / Replacement of critical Equipments of Mechanical Workshop.	To add and augment the workshop facilities for in-house maintenance support.		80.00		Add value to the in-house maintenance resources	Better, speedy maintenance and cost reduction in maintenance.	In phases by December 2017	– do –
6	Overhauling of Gas Turbine generation set# 2 along with upgrading instruments control system.	To ensure safety and reliability in operation and enhanced working life.		250.00		Reliable power source for interruption free operation of plants	Lower operational cost and better stream days.	By July 2018.	– do –
Total in Rs. Lakhs.			2500.00						

Note: The completion schedules are projected with assumption of fund sanction/release by March 2017 to commit procurement and normal delivery schedule of materials from OE

MADRAS FERTILIZERS LIMITED, MANALI, CHENNAI 600 068

Sl No	Name of the Scheme / Programme	Objective / Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan Budget	Plan Budget	Complementary Extra-Budgetary Resource				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
1	Installation of dedicated RO System for Cooling Water Blow Down Plant	To meet the norms of Pollution Control Board		1.00			Reuse of blow down water, thereby water saving	During 2016-17	
2	Boiler-I Bank Zone Refractory Repair and Super-heater Coil Replacement	As recommended in Remaining Life Assessment (RLA) study.		1.00			To increase reliability and improve efficiency	During 2016-17	
3	Cooling Tower Cells' (A-H) Vapour Guider Repair	Repairing of aged concrete vapour guide		1.00			To increase reliability and safe operation of the Plant	During 2016-17	
4	Auto Start Provision for Steam Turbines	Provision of 'Auto Start' for Steam turbines from DCS (Control Room)		1.00			To ensure continuous & reliable operation of the Plant during electrical power interruptions	During 2016-17	

Sl No	Name of the Scheme / Programme	Objective / Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan Budget	Plan Budget	Complementary Extra-Budgetary Resource				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
5	Suction Chiller for Syn.Gas Compressor (K-1601)	Erection of new suction chiller to increase volumetric efficiency		1.00			To improve efficiency of the Compressor and thereby energy saving	During 2016-17	
6	Refurbishment of Start-up Heater (D-1701)	Replacement of obsolete heater		1.00			To ensure smooth / safe start-up of the Plant.	During 2016-17	
7	Construction of new Sub-station for Urea Plant	Replacement of 45 years old sub-station building		1.00			To ensure safe and reliable operation of the Plant	During 2016-17	
8	Installation of Boiler Feed Water Pump / Turbine	Replacement of outdated Boiler Feed water pump and turbine with energy efficient turbine.		3.00			To reduce steam consumption and save energy	During 2016-17	
9	PSA De-oxo Vessel Catalyst Renewal.	Replacement of aged catalyst which is in use for more than its recommended life.		0.50			To achieve design capacity and improve energy	During 2016-17	

Sl No	Name of the Scheme / Programme	Objective / Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/ Risk Factors
			Non-Plan Budget	Plan Budget	Complementary Extra-Budgetary Resource				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
10	K-1602 Turbine Rotor overhauling and necessary spares for the same (1 st time overhauling)	Turbine rotor to be overhauled for the first time since inception, as per OEM's recommendation (More than 18 years)		3.00			To reduce downtime and increase the reliability of the Plant	During 2016-17	
11	K-1901 LP, HP Rotor repair	Reconditioning of removed rotor to maintain spare for emergency replacement		1.00			To reduce downtime and increase the reliability of the Plant	During 2016-17	
12	K-111 2 nd Stage Cylinder Procurement	Replacement of worn-out cylinder		3.50			To ensure efficiency and reliability of the equipment	During 2016-17	
13	Procurement of critical control valves for Ammonia, Urea & Utility Plants	Replacement of old control valves		2.00			To improve the Plant performance	During 2016-17	
		Total		20.00					

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED							(₹ Cr)
Statement of Outlays & Outcomes / Targets (2016-17)							
Sl. No	Name of Scheme / programme	Objective / outcome	Annual Plan 2016-17	Quantifiable / deliverable	Projected Outcome	Process / Timeline	Remarks
1	Continuing Scheme						
1.1	New DCS for Fertiliser Plants at Udyogamandal complex	Upgradation of control system in production units	4.60	This will help the company to improve reliability and efficiency	Technological up gradation through this scheme will help reduce downtime, increase reliability and improve efficiency norms	Mar-17	Schemes are in the planning stage and could not be progressed due to financial constraints. Actual implementation depends on the approval & release of funds.
2	RENOVATION AND MODERNIZATION SCHEMES						
2.1	Renewals & replacements of various mechanical, electrical and instrumentation items in Cochin Division	For the upkeep and health of plants at Cochin division	15.62	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Cochin division	Various dates	
2.2	Renewals & replacements of various mechanical, electrical and instrumentation items in Udyogamandal Complex	For the upkeep and health of plants at Udyogamandal Division	17.40	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Udyogamandal Division	Various dates	
2.3	Renovation of Civil structures at Cochin Division & Udyogamandal	For the upkeep and health of plants	3.40	For Safety of Wagons and upkeep of old buildings	Safe transportation of wagons through railway siding and prevention of further deterioration of old buildings	Mar-17	
2.4	Renovation of various items at Port handling facilities at Cochin Port	For the upkeep and health of raw material handling facilities at cochin port	1.20	Reliable operation and assessment of material movement	Reliable operation and assessment of material movement	Apr-17	
2.5	Renewals & replacements in Cochin Division Sulphuric Acid plant	For the upkeep and health of critical equipments in Sulphuric Acid plant	7.75	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Cochin division	various dates	
2.6	Statutory items for pollution control, energy management system and barge unloader for Udyogamandal plants	To meet pollution control board norms and improve the performance	7.50	Intended to improve energy efficiency and also ensure reliability of equipments	Improved energy efficiency and better reliability of plant	various dates	
2.7	Improving infrastructure facilities & machinery for FEW	To improve the performance of Engineering Fabrication wing	1.53	Intended to improve infrastructure and equipments	Improved capability to bid for various jobs	Mar-17	
2.8	Upgradation of infrastructure in IT services	To improve the IT system within the organisation	1.00	This will help company in Planning & Optimisation of resources	Improved Information Technology infrastructure for better control and decision making	Mar-17	
			60.00				

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD., JODHPUR

(Rs. In Crore)

S.No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes/ Timeliness	Remarks/Risk Factors
			4(i) Non Plan Budget	4(ii) Plan Budget	4(iii) Complimentary Extra Budgetary Resources				
1	2	3				5	6	7	8
1	Construction of Office Building – Purchase of Land	To have own Office Building	-	2.00	-	Own Office Building	To have own Office Building and avoid monthly rentals	Due to late allotment of land project deferred to next year	-
2	Expansion & Diversification Project	To expand the Business	-	108.23	-	To venture into new Business	Expanding the business into other minerals from single mineral, to achieve the targeted growth.	Due to delay in allotment of water source project deferred to next year	-

Projects & Development India Ltd.

S. No	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2016-17			Quantifiable Deliverables/ Physical Outputs	Projected Outcome	Process/ Timeline	Remarks/ Risk Factor
			Non-Plan Bgt.	Plan Bgt.	Compl. Extra Budgetary Resources				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
1	Continuing Scheme:-								
A	Computer and Software	The continuous scheme includes computer hardware like PCs, server plotter and printer etc and software which are essential to carry out the day to day engineering jobs. Use of these IT infrastructure is essential requirement of all the projects for timely completion and better quality of work.		1.77					
B	Renewal & Replacement.	The Renewal & Replacement for various PCS & UPS (Electricals), software licenses, renovation of Ferrous Sulphate Storage Tank of HT for Catalyst Plant Sindri and change of Balance AHU of Centralized AC Plant. These facilities are necessarily required for acquisition of engineering & Catalyst jobs which generate revenue for consultancy Company and to up keep the various facilities,		3.08					
	Sub- Total			4.85					
2	New Scheme								
A	Improvement of Infrastructure	Uplifting of building / other infrastructure.		0.00					
B	Diversification	Diversification.		0.00					
C	Catalyst Plant Equipments	Catalyst Plant Equipments		0.53					
D	Revamp of Catalyst Plant at Sindri	Revamp of Catalyst Plant at Sindri		3.00					
	Sub- Total			3.53					
	Grand Total :			8.38					

Chapter – III

1. New Urea Policy-2015

Based on the CCEA decision, the New Urea Policy-2015 (NUP-2015) has been notified by Department of Fertilizers on 25th May, 2015 with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the government. It is expected to prepare the domestic urea sector to become globally competitive in terms of energy efficiency over a period of three years. On the basis of actual energy consumption and preset norms, the units have been divided into three groups and revised energy consumption norms have been fixed for next three financial years and target energy norm have been fixed for 2018-19. It will drive urea units to select better technology and different measures to reduce energy consumption. The higher energy efficiency due to aforesaid measure will reduce subsidy bill. It is expected that there would be reduction in the subsidy burden of the government in two ways - reduction in specific energy consumption norms and import substitution on account of higher domestic production. It is expected that the new urea policy will lead to additional production of 17 LMT annually in the next three years.

2. Neem Coating of Urea

Vide Department of Fertilizers notification dated 25th May, 2015, it has been made mandatory for all the indigenous producers of urea to produce 100% of their total production of subsidized urea as Neem Coated urea. Entire quantity of indigenously produced urea is being neem coated w.e.f 1st September, 2015. Imported Urea is also being neem coated w.e.f 1st December, 2015. Since NCU cannot be used for industrial purposes, illegal diversion of subsidized urea to non-agricultural use would not be possible. By curbing this illegal diversion of Urea for non-agricultural purposes, the government aims to prevent subsidy leakages.

3. Continuation of three naphtha based urea units

Based on the decision of the CCEA, vide notification dated 17th June, 2015, Department of Fertilizers has allowed continuation of production of three naphtha based urea units, i.e. Madras Fertilizers Limited (MFL)- Manali, Southern Petrochemicals Industries Corporation (SPIC) - Tuticorin and Mangalore Chemicals & Fertilizers Limited (MCFL) with Naphtha as feedstock till these plants get assured supply of gas either by pipeline or by any other means.

4. New Investment Policy and its amendment thereof

The Government had announced New Investment Policy – 2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. At present, there are 6 proposals for setting up of Greenfield and Brownfield (Expansion) projects with Department of Fertilizers.

“ICT initiatives of the Department of Fertilizers.”

The Department of Fertilizers (DOF) has, since 2007, been using a web based online Fertilizer Monitoring system (FMS-<http://urvarak.co.in>) 115.112.212.145 that tracks the availability of fertilizers, from the production/import to its receipt and first point sale in the district. The system is operational 24X7 and daily production/import data, dispatch of fertilizers from plant/port, receipts in the district and first point sale are captured in the system. State-wise, Fertilizer-wise and Company-wise reports on dispatch, sales and availability in public domain as <http://urvarak.co.in>.

In February, 2011, Ministry of Finance constituted a Task Force to recommend implementable solution for direct transfer of subsidies on kerosene, LPG and fertilizers. Task Force submitted its final report on 7th August, 2013 which suggested a 4 phased approach as below.

- i. **Phase-I:** Information visibility till the retailer's level where part subsidy is disbursed to the manufacturers on the basis of the information of retail acknowledgements reported in mFMS
- ii. **Phase-II:** Part subsidy payment to the manufacturers on the basis of the information of retailer sales of fertilizers captured in mFMS.
- iii. **Phase-III:** Subsidy payment to the retail customer on the basis of the fertilizer sales made to him/her.
- iv. **Phase-IV:** Subsidy payment to the farmer on the basis of details of sales made to him/her.

The Department has developed mobile Fertilizer Monitoring System (mFMS) to upgrade the existing FMS to capture the availability of fertilizers at various points in supply chain below the district. The mFMS captures the sales made by Companies and Wholesalers to the retailer and also the confirmation of receipt by the wholesalers and retailers.

Phase I which is made operational from 1st November, 2011, is being rolled out through all the registered fertilizers manufacturers (116), wholesalers (16577) and retailers (157274) across the country. Accordingly, a portion of the subsidy (5-15% depending on the grade of fertilizer) is given to manufacturers only when the retailer will acknowledge the receipt in the Mobile Fertilizer Management system (mFMS). Retailer acknowledgement has been ensured by the Department by linking a portion of manufacturer's subsidy to retailer's acknowledgement.

Phase II of mFMS envisages capturing sale made by the retailer to the buyer or end-user. This involves capturing sales details as well as buyers' details. DoF is examining the feasibility of doing Proof of Concept for Phase-II.

Chapter – IV

FERTILIZERS-OVERALL PERFORMANCEPRODUCTION:

The target and actual production of fertilizers (Nutrient-wise) and percentage achievement of all Public Sector undertakings(PSUs) during last five years are as follows:

(Fig. in 'LMT')

Year	Nitrogen			Phosphate		
	Target	Actual	%age achievement	Target	Actual	%age achievement
2011-12	32.01	31.77	99.25	2.92	2.37	81.16
2012-13	33.13	31.85	96.14	3.11	2.23	71.70
2013-14	34.75	33.84	97.38	2.77	2.26	81.59
2014-15	34.34	34.58	100.70	2.45	2.45	100.00
2015-16 (April to Dec.2015)	26.40	26.31	99.66	2.02	1.78	88.12

AVAILABILITY:

Before start of each cropping season i.e. Kharif and Rabi, Department of Agriculture & Cooperation (DAC) conducts biannual Zonal Conference to assess demand of fertilizers for the coming cropping season. Officials of Department of Agriculture of all the States, representatives of all the fertilizer companies, officials of FAI, officials of Ministry of Railways and Department of Fertilizers are participants in these biannual Zonal Conferences.

To ensure the availability of fertilizers in the country, Government has taken following steps: -

(a) The month-wise demand is assessed and projected by the Department of Agriculture & Cooperation (DAC) in consultation with the State Governments before commencement of each cropping season.

(b) On the basis of month-wise & state-wise projection given by Department of Agriculture and Cooperation, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to the States by issuing monthly supply plan and continuously monitors the availability through following system:

i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system (www.urvarak.co.in) also called as Fertilizer Monitoring System (FMS);

ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Mark fed etc.

iii) Regular weekly Video conference is conducted jointly by Department of Agriculture & Cooperation (DAC), Department of Fertilizers (DOF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State governments.

iv) The gap in the demand and domestic production of fertilizer is met through imports.

<Figures in LMT>

The Assessed Requirement, Availability and Sales of subsidized chemical fertilizers i.e. Urea, DAP, NPK & MOP is as given below:			
UREA			
SEASON	Assessed Requirement	Availability	Sales
Kharif 2013	153.18	155.73	150.99
Rabi 2013-14	163.72	155.76	153.55
Kharif 2014	146.60	140.96	139.97
Rabi 2014-15	160.11	170.07	168.77
Kharif 2015	154.50	157.68	154.79
Rabi 2015-16*	129.52	124.77	114.20

*figures upto 31.01.2016

DAP			
SEASON	Assessed Requirement	Availability	Sales
Kharif 2013	64.59	40.96	32.30
Rabi 2013-14	45.26	40.34	36.25
Kharif 2014	48.07	40.02	37.05
Rabi 2014-15	47.87	40.62	38.53
Kharif 2015	50.93	59.98	50.62
Rabi 2015-16*	43.70	41.44	28.26

*figures upto 31.01.2016

NPK			
SEASON	Assessed Requirement	Availability	Sales
Kharif 2013	54.83	36.21	32.61
Rabi 2013-14	52.53	47.03	42.56
Kharif 2014	49.60	41.89	38.92
Rabi 2014-15	50.22	51.12	47.06
Kharif 2015	52.73	54.26	44.94
Rabi 2015-16*	38.37	39.03	28.56

*figures upto 31.01.2016

MOP			
SEASON	Assessed Requirement	Availability	Sales
Kharif 2013	20.25	12.74	10.99
Rabi 2013-14	14.88	12.33	10.93
Kharif 2014	14.85	16.55	14.12
Rabi 2014-15	15.41	16.55	13.68
Kharif 2015	18.31	16.88	12.60
Rabi 2015-16*	13.38	13.01	8.18

*figures upto 31.01.2016

Nutrient Based Subsidy Policy for Phosphatic & Potassic (P&K) fertilizers

In the context of the Nation's food security, the declining response of agricultural productivity to increased fertilizer usage in the Country and to ensure the balanced application of fertilizers, the Government of India has implemented the Nutrient Based Subsidy (NBS) Policy for the decontrolled Phosphatic & Potassic (P&K) fertilizers with effect from 1.4.2010. Under NBS Policy, a fixed amount of subsidy, decided on annual basis, is provided on each grade of subsidized P&K fertilizers depending upon nutrients (Nitrogen (N), Phosphate (P), Potash (K) and Sulphur(S)) contained in these P&K fertilizers. The Government is also providing additional subsidy on the fertilizers fortified with secondary and micronutrients namely Boron and Zinc. The subsidy rates of P&K fertilizers during the years 2014-15 and 2015-16 are given in the **Annexure-I**

2. Under the NBS Policy, Maximum Retail Price (MRP) of P&K fertilizers is fixed by manufacturers/marketers/importers at reasonable level. As our country is fully dependent on imports for Potassic (K) fertilizers and to the extent of 90% in Phosphatic (P) fertilizers in terms of either finished fertilizers or raw materials, any rise or fall in international prices of P&K fertilizers and fertilizer inputs has direct bearing on the prices of fertilizers. Further variation in exchange rate also affects the delivered prices of these fertilizers in the country.

3. While taking into account the rise in prices after implementation of NBS Policy, it has been made mandatory for the fertilizer companies to submit certified cost data along with their subsidy claims to examine and ensure that the MRP fixed by the companies are reasonable. The Government has also stipulated that 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, the Department, on the recommendation of Inter-Ministerial Committee may exclude any grade/grades of fertilizers of a particular companies or the fertilizer companies itself from the NBS Scheme. The average MRP of P&K fertilizers reported by P&K fertilizer companies during 2015-16(till January, 2016) are given in the **Annexure-II**. In the meantime, it has been decided that:

(i) The P&K fertilizer Companies should enter same MRPs printed on the bags as applicable for each State in the FMS. In other words, there should not be any difference in the MRP printed on the fertilizer bags and that reported in the FMS for a particular state.

(ii) The fertilizer companies henceforth will certify the correctness of MRPs of their products entered in the FMS while claiming 'On Account' claims for a particular month and also ensure that the MRPs are updated in the FMS up to date of submission of bill.

The Department has also appointed Cost Accountants/Firms in order to analyze the cost data submitted by the P&K fertilizer companies and to find out the reasonableness of MRP.

With these measures, it was possible to ensure reasonable MRP of P&K fertilizers during 2014-15 more or less at the previous year level. In 2015-16, there is slight increase in prices of P&K fertilizers, inter-alia, due to depreciation of Indian Rupee against USD.

4. Distribution and movement of fertilizers are monitored through the online web based Fertilizer Monitoring System (FMS) which tracks the import, production, movement, availability, distribution and sale of fertilizers in all States. Accordingly, the information relating to availability of fertilizers in all the State is available all the time on Department of Fertilizer's website at www.urvarak.co.in. Under the NBS Policy, Government of India has placed 20% of decontrolled P&K fertilizers both imported and produced under movement control of Department of Fertilizers under Essential Commodities Act 1955 with the objective to make fertilizer available in the remote areas.

5. The Fertilizer companies are provided reimbursement of the actual Rail Freight for movement of fertilizer to facilitate the fertilizer companies to supply the fertilizers at the cost of the Government. Under the NBS scheme, the companies are required to print MRPs along with applicable NBS on each bag of fertilizers clearly, failing which the provisions of Essential Commodities Act 1955 are invoked. The manufacturers of customized and mixture fertilizer are allowed by the Government to source the subsidized fertilizer from the manufacturers/importers after their receipt in the districts.

6. An amount of Rs. 20,667.30 crore was released by the Government for subsidy on P&K fertilizers during the financial year 2014-15 whereas an amount of Rs. 21937.56 crore (RE) has been allocated by the Government for release of subsidy in P&K Fertilizers for the financial year 2015-16.

Annexure-I

(a) Per Kg NBS rates for nutrients NPKS for the 2014-15 and 2015-16:

NBS rates (Rs. per Kg)		
Nutrients	2014-15	2015-16
'N' (Nitrogen)	20.875	20.875
'P' (Phosphate)	18.679	18.679
'K' (Potash)	18.833	15.500
'S' (Sulphur)	1.677	1.677

(b) Per MT subsidy on different P&K fertilizers during 2014-15 and 2015-16:

(In Rs PMT)

Sl. No.	Fertilizer Grades (FG)	2014-15	2015-16
1.	DAP (18-46-0-0)	12350	12350
2.	MAP (11-52-0-0)	12009	12009
3.	TSP (0-46-0-0)	8592	8592
4.	MOP (0-0-60-0)	9300	9300
5.	SSP (0-16-0-11)	3173	3173
6.	16-20-0-13	7294	7294
7.	20-20-0-13	8129	8129
8.	20-20-0-0	7911	7911
9.	28-28-0-0	11075	11075
10.	10-26-26-0	10974	10974
11.	12-32-16-0	10962	10962
12.	14-28-14-0	10323	10323
13.	14-35-14-0	11630	11630
14.	15-15-15-0	8258	8258
15.	17-17-17-0	9359	9359
16.	19-19-19-0	10460	10460
17.	Ammonium Sulphate (20.6-0-0-23)	4686	4686
18.	16-16-16-0 (w.e.f. 1.7.2010)	8809	8809
19.	15-15-15-9 (w.e.f. 1.10.2010)	8409	8409
20.	24-24-0-0 (from 1.10.10 to 29.5.12 and w.e.f. 22.6.2012)	9493	9493
21.	DAP Lite(16-44-0-0) (w.e.f. 1.2.11)	11559	Nil
22.	24-24-0-8 (wef 12.11.13 to 14.2.15) without subsidy on S	9493	9493

		Statement showing average Month wise MRPs for P&K fertilizers												Annexure-II	
S. No	Fertilizer Grade	2015-16													
		April	May	June	July	August	September	October	November	December	January				
1	DAP :18-46-0-0	25046	25452	25634	25716	25693	25753	25840	25879	25791	25697				
2	MOP:0-0-60-0	16812	16871	16847	16894	16859	16854	16884	16893	16876	16915				
3	16-20-0-13	18560	18560	18560	18560	18560	18108	18108	18108	18108	18108				
4	20-20-0-13	18911	18939	19248	18996	18996	19020	19075	19490	19087	19372				
5	10-26-26-0	23069	23039	23025	23213	23246	23265	23251	23225	23307	23197				
6	14-28-14														
7	14-35-14	24260	24380	24380	25000	25000	25400	25660	25660	25660	25660				
8	15-15-15	18010	18100	18010	18541	19173	19173	19173	18983	18983	18983				
9	AS : 20.6-0-0-23	13215	13215	13213	13617	13617	13617	13617	13617	13617	13617				
10	20-20-0-0	17575	17150	17117	17421	17910	19308	17910	17879	17850	18503				
11	28-28-0-0	24380	24260	24260	25000	25000	25520	25660	25660	25660	25660				
12	17-17-17	22112	22952	22952	22952	22952	22952	22952	22952	22952	22952				
13	19-19-19	23280	23280	23280	23280	23280	23280	23280	23890	23890	23890				
14	SSP	7610	8818	7820	7936	7806	7751	8807	7957	7999	7852				
15	16-16-16-0	18000	18900	19080	19080	19080	19080	19080	19080	19080	19080				
16	24-24-0-0			22401	22622	22622	22622	22622	22622	22622	22622				

Joint Ventures Abroad

Due to constraints in the availability of Gas in the country, which is the preferred feed stock for production of nitrogenous fertilizers, a near total dependence on imports for Phosphatic fertilizer and its raw materials and full import dependence for MOP, 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.

Joint Ventures Projects

So far, the Department of Fertilizers has undertaken Joint Ventures abroad with 5 Countries in the previous years. The details of such joint ventures in the fertilizer sector are given below:

S. No.	JV Project-Country	JV participants with equity %	Product and the Project status
1.	Oman India Fertilizer 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 already started.
3.	JPMC-IFFCO JV, Jordan	JPMC & IFFCO	4.8 lakh MT Phosphoric acid. Commercial production started in December 2014.
4.	IMACID, Morocco	OCP-Morocco,Chambal& TCL – 33% each	4.25 lakh MT phosphoric acid. Production started in year 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.

Although during the year 2015-16, 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: -

Co-operation with Ghana: For the proposed Ammonia/Urea JV in Ghana, an MOU was signed on 6th July 2010 at the Government level between the two Countries, followed by several visits of Indian delegation to Ghana to discuss issues relating to finalisation of draft JV agreement and price of Gas. It has now been informed that Gas being offered by Ghanaian authorities for the project is not

available. Therefore, project would be perused once availability of gas is being confirmed.

Co-operation with Belarus: A Secretary(F) led delegation visited Belarus in January 2013 to discuss the following issues: -

- (a) Sale of Shares of Belaruskali.
- (b) Long-term purchase agreement.
- (c) Indian investment in Grodno Azot Project.
- (d) Investment in New Potash Mines, of Belarus especially in Petrikov Mines.

But, the Indian delegation was disappointed as no concrete decision could be taken on any of the four issues mentioned above. The then Speaker of Lok Sabha visited Belarus and a meeting was held with the President of Belarus on 20th May 2013. During the meeting, the President of Belarus has once again expressed interest in India's participation in the privatization of the potash industry in Belarus. Further, Joint Secretary (Eurasia), MEA, vide D.O. letter dated 30.05.2013, has suggested to invite a delegation from Belarus to discuss these matters. The Department of Fertilizers conveyed to Embassy of India at Minsk that Indian side is ready to receive a delegation from Belarus during the week starting on 10th June 2013 to discuss issues related with Potash Fertilizers. A Secretary (F) led delegation had visited Belarus in Oct-Nov, 2015 wherein it had transpired that RCF would send a proposal from Indian side for long term offtake from Belarusian Potash Company.

Co-operation with Canada: A delegation of M/s ENCANTO visited Department of Fertilizers on 11th& 12th June 2013 and met with Secretary(F). On these dates, meetings were also held with RCF led consortium. As outcome of these meetings, a draft of Principle terms and purchase and sales agreement was initiated between RCF (on behalf of Indian consortium) and M/s ENCANTO to finalize the Draft Off-Take Agreement. An aggregate off-take of 1.8 million ton per annum MOP has been mentioned in the Draft Agreement. A copy of the draft agreement had been sent by RCF to Indian consortium to members for their review and necessary action. However due to change potash scenario worldwide and lack of interest from consortium members, the project has been kept in abeyance.

Cooperation with Russia: In December 2013, a communication from EOI in Moscow has been received about the offer of 30% stake in the fertiliser project being undertaken by ACRON to develop the Talitsky Potassium-Magnesium deposit in Perm, Russia. As per the communication, Vnesheconombank, a major Russian owned bank, has taken a 25% stake in the Talitsky project and that China has shown much interest and in investing in Talitsky but Russia would prefer India as a partner and the terms and conditions offered to India would be identical to those given to Vnesheconombank when it acquired its stake. From Indian side, NMDC confirmed its firm interest in the project. A team of representatives from RCF, NMDC, NFL and M/o Steel visited Russia in first week of December 2014 and a MoU between ACRON and Indian consortium has been signed on 11th December, 2014 during the visit of Russian President. However, based on current oversupply of potash, pricing pressure and other factors, the Indian consortium has concluded that the acquisition of 30% stake in the ACRON project is not viable and have communicated the decision of the consortium to ACRON for not pursuing the proposal further.

Issues related to Oman and OMIFCO: Department of Fertilizers had, vide letter dated 8th February 2013, with the approval of the Competent Authority agreed to release the payments to OMIFCO with an increase of USD 31.68 Per MT for the Urea

being supplied by the Company to the Government of India from January 2013 onwards subject to the settlement of any differences in the prices that may arise, as a result of the studies being conducted by PDIL, consequent to amendments in the Gas Supply Agreement, as agreed by Government of India.

Now, OMIFCO has forwarded: - (a) Study Report prepared by PDIL on evaluating the energy consumption of Ammonia-Urea products in OMIFCO complex (b) Draft Amendment Agreement regarding amendment to GSA between OMIFCO and the Government of Sultanate of Oman consequent upon revision in Urea Off-take Agreement (UOTA) between OMIFCO and GOI. Approval of the Competent Authority on the following issues has been taken: -

- i) Increase in off-take price as recommended by PDIL. Accordingly, the revised Long Term Price (LTP) of urea off-take from Oman agreed w.e.f. 01.01.2012 and amendment of UOTA.
- ii) The new Escalation Formula w.e.f 01.01.2016 @ 3% or US CPI, whichever is higher, as given by OMIFCO.
- iii) The issue of extension of UOTA, to be pursued by DOF, for a further period of five years at appropriate time before the expiry of the current UOTA term.

Thereafter, the proposal was referred to Department of Expenditure for seeking their concurrence. In this regard, Department of Expenditure has opined, "it is difficult to support the proposed price increase because Govt. is not able to pass on the price increase to the farmers. However, if the price increase is inevitable due to commercial/strategic reasons, we should at least secure something in return from OMAN." In that light, Ministry of Finance has given the following suggestions: -

(i) The extension of the Urea Off-take Agreement (UOTA) beyond 2019-20 and upto at least 2025 may be concluded simultaneously, preferably on the existing terms and conditions, while accepting the Urea price escalation as recommended by PDIL and the new escalation formula w.e.f. 01.01.2016 for gas @ 3% annually or US CPI, whichever is higher; and

(ii) The sales fee of US \$ 3.5 per tonne of Urea being given to IFFCO and KRIBHCO is unwarranted and not acceptable. The price of Urea as available to GOI would accordingly be reduced by this amount.

A D.O. letter from Secretary (F) was sent to Secretary (Exp), to reconsider the suggestion forwarded by Department of Expenditure. However, the DOE has reiterated its position and has requested this Dept. to take up these matters with OMIFCO. Subsequently, a series of meeting have been held to discuss the pending issues with the Oman authorities. In this context, a two member committee (one from each side) had been formed to discuss terms & conditions of the proposed extension of agreement. However, Sultanate of Oman wanted further revision in the gas price from year 2014 onwards for consideration of the extension of UOTA beyond 2020. As GOI has already acceded to revision in price w.e.f 2012, further revision has not been accepted by GOI.

Therefore, it had been decided not to pursue extension of UOTA beyond 2020 but to sign the agreement on revised prices of Urea under UOTA.

Issues relating to Iran: A meeting was held under the Chairmanship of Hon'ble MOS(I/c) (C&F) on 28th May, 2013 with the Iranian delegation led by Iranian Petroleum Minister. In the said meeting, the following issues were raised with the Iranian delegation: -

- (i) Assurance of getting National treatment to the Indian joint venture as is given to the Iranian Companies.
- (ii) Assured supply of gas at a fixed rate of 0.84 USD per mmbtu to the Joint Venture Company for 10 years.
- (iii) Assured gas supply to the joint venture for entire project life i.e. 25 years at rate at which it would be supplied to local Iranian companies.
- (iv) Long Term Urea purchase arrangement.

An apprehension was expressed by Indian side about the sanctions imposed on Iran by US and the difficulties that would arise due to these sanctions in the implementation of Ammonia Urea Plant Joint Venture Project. The Department of Fertilizers has already commissioned a Pre-feasibility study through PDIL, an Indian Govt. consultancy company (PSU) and have also associated Indian Companies M/s. GNFC and RCF with the proposed project. Iranian delegation assured that Indo Iran Joint Venture will be given national treatment and will be treated in the same way as the Iranian companies are being treated. Supply of Gas to the Joint Venture would be at price of 700 Rial/Scm. The Iranian delegation was requested to reply on long-term price stability of the gas which has been made available to the joint ventures project. Both sides agreed for joint venture project at Assaluye. Meanwhile M/s PDIL have been awarded the contract for conducting prefeasibility study for setting up gas based Ammonia Urea Plant in Iran at a total cost of Rs 80 lakh which would be equally shared by RCF and GNFC. A PDIL delegation will be in Iran from 27th September, 2013 to 6th October, 2013 for the feasibility on setting up a JV fertilizer project in Iran and procurement of Methanol from petrochemical companies. Meanwhile Ambassador of India, Iran sent your e-mail to Secy(F) enclosing a copy of the draft letter to Iranian side regarding gas pricing policy. He informed that Chairman, National Petrochemical Company (NPC) has confirmed the following conditions for the Indian JV with NPC in Assaluyeh:

- (i) The feed stock (Natural Gas price is current 700 Rial p.q.mt (US\$ 0.028) as per existing exchange rate.
- (ii) Availability of feed stock would be guaranteed or period of 25 years in the feed stock agreement.
- (iii) The same laws and conditions as price of feed stock/projects would apply which are applicable to local investor that is national treatment would be accorded.

The same conditions have been confirmed with the approval of Secy(F) and conveyed it to EOI, Iran. An Indian delegation led by CMD, PDIL consisting of GNFC visited Iran during 6-12 November 2013 to discuss the issues relating to setting up of a JV Ammonia urea Project in Iran. The delegation had meeting with National Petrochemical Company (NPC), Tehran on 12.11.2013. A delegation led by Joint Secretary, DOF and consisting of representatives from PDIL, GNFC and RCF visited Iran during 14-15 December, 2013 to discuss the Gas price for the proposed Ammonia/Urea JV plant in Iran. SBI Cap had been appointed by RCF and GNFC as consultant to carry out due diligence and finalize JV partner from Iran. The annual Urea production from the Joint venture is expected to be 1.3 million MT which would be imported in India. Hon'ble Minister (C&F) has desired all parties to put up best efforts so that the project could commence at the earliest. He has also written to the Iranian Oil Minister highlighting the issue of gas price and its availability for this project and has requested for according national treatment to this project at par with domestic projects. In September, 2015, a delegation led by CMD, RCF visited Iran and had detailed discussion with potential JV partners and shortlisted PEDC, an

Iranian company, having land in the chahbhar region, as a JV partner for the above project. The Indian consortium has forwarded a draft MOU to PEDC for their comments. Further, during the last JWG meeting held on the sidelines of Joint Commission Meeting on energy, discussion was held with Iranian side regarding the proposed JV. The Iranian side informed that the availability of gas for a long term is not an issue and as regards price, the Govt of Iran is trying to fix a uniform price. It was further informed by the Iranian side that NPC, their organization dealing with gas should be contacted for further discussions and negotiations. In December, 2015, during the JCM on India-Iran, the issue was once again raised with the Revenue Minister of Iran. He advised to continue the discussions further.

Tunisia and Jordan:- On the invitation of Mr. Mehdi Jomaa, Tunisian Minister of Industry a delegation led by Hon'ble MOS (I/C) (C&F) alongwith Secretary (F) and technical team from Fertilizers companies namely M/s Coromandel and M/s GSFC visited Tunisia during 11th -12th July, 2013 to jointly inaugurate the TIFERT plant which is the most important Tunisia-India Joint Venture and to explore further cooperation and the potential of new joint projects in the field of industrial phosphate of fertilizers. Before visiting Tunisia, Hon'ble MOS(I/C) (C&F) alongwith Secy(F) and representative of fertilizer PSU M/s RCF, visited Jordan during 09th-10th July, 2013 on the invitation received from the Chairman of the Board of Jordan Phosphate Mining Company, a Govt. of Jordan company to visit Jordan with the purpose to: -

(i) review the market conditions in India and the ways to improve them for the benefit of both sides I.e. JPMC and the Govt. of India

(ii) Explore the potential of new joint venture projects leading to establishment of new Industrial phosphate of fertilizers for export.

(iii) Presenting the future activities of JPMC and the infrastructural projects that would be needed to have them materialize.

As an outcome to the India delegation visit to Jordan, a draft EOI is submitted by RCF for the proposed Joint Venture with JPMC and JAFCO and the same is under process.

IRAQ: On the request of Ministry of Petroleum and Natural Gas, AS &FA of Department of Fertilizers accompanied the delegation led by Minister (PNG) to attend the 17th Indian-Iraq Joint Commission Meeting (JCM) held at Baghdad during 7-8th July, 2013 to explore the possibilities of Joint Venture on Fertilizer in Iraq. During the discussions the Indian side showed interest in (i) setting up of a JV project in Al-Qaim/Al-Anbar area for establishing a Urea and Phosphate unit; and (ii) import of sulphur from Iraq. Meanwhile an Inter-Ministerial Meeting was held under the Chairmanship of Secretary (East), MEA to review the actions taken subsequent to the 17th India-Iraq Joint Commission Meeting and in preparation for the forthcoming visit of Prime Minister of Iraq to India on 23rd August, 2013. In the meeting DOF was asked to share Draft Letter of Interest (LOI) and Confidentiality Agreement to establish proposed Urea Plant and Phosphate Fertilizer Unit as JV project in Al-Qaim/Al-Anbar area of Iraq. The same has been done and forwarded to MEA and Ambassador of India to Iraq on 31.7.2013.

TURKMENISTAN: A delegation consisting of officials from D/o Fertilizers and representatives from major fertilizer companies visited Turkmenistan during 05-09 April, 2015. The delegation had been headed by Minister, External Affairs. The delegation held meeting with Turkmenistan Govt and major fertilizer players to chalk out possibilities of Joint Venture / long term offtake agreements in fertilizer. Consequently, draft agreement on the lines of offtake agreement signed with OMIFCO (a JV project in Oman) has been forwarded to Turkmen side. Meanwhile, it has been intimated by Turkmen side that Turkmenhaemiya (Turkmen Chemicals)

are in a position to supply 1,00,000 MT of Urea at a price of US \$ 210 per MT in Turkmenistan for the time being. The quantity may be increased in future on completion of construction of Urea plant in Garabogaz (3500 MT per day). The proposal is under consideration of the department.

There are 9 Fertilizers PSUs under the administrative control of the Department of Fertilizers. The PSUs are NFL, RCF, BVFCL, FAGMIL, PDIL, MFL, FACT, HFCL, and FCIL.

PERFORMANCE OF FERTILIZER PSUs / COOPERATIVE.

Out of above mentioned 9 fertilizers PSUs, all units of FCIL and HFCL are closed since 2002. Since, no production is taking place in these companies; the preparation of outcome budget is not applicable to them. However, these companies are in the process of revival. The progress regarding other PSUs is as follow:

RCF

During the year 2014-15, RCF produced 26.01 LMT of urea and 6.58 LMT of Complex fertilizers and the Company made a Profit Before Tax (PBT) of ₹ 509.63 Crore.

The projected profit after tax for the year 2015-16 is ₹219.45 crore. The provisional profit before tax for the period April 2015 to November 2015 is ₹208.99 crore.

NFL

During 2014-15, the aggregate production from NFL Plants put together was 36.39 LMT. Company also produced 506 MT of Bio-Fertilizers from its Bio-Fertilizer plant at Vijaipur during the year. Company registered a profit before tax of ₹44.72 crore during the year 2014-15. During the year Sales turnover of the company was ₹8520 crore including sale of industrial products and traded goods worth Rs.120 crores.

During financial year 2015-16, company produced 28.22 LMT urea up to month of December 2015. Based on un-audited financial results company earned Profit Before Tax (PBT) of ₹90.16 crore and Profit After Tax (PAT) ₹41.31 crore upto the month of September 2015. Sales turnover of the company was ₹3797 crore including sale of industrial products and traded goods worth ₹130 crore upto the month of September 2015.

PDIL

PDIL is mainly involved in design engineering and consultancy service and producing catalyst for the fertilizer and refinery industries. During 2014-15, company had earned profit Before Tax of ₹10.48 cr out of the total turnover of ₹57.55 cr.

During the period April to December 2015, the company has incurred loss of ₹9.77 crore and the estimated profit before tax for the year 2015-16 is ₹2.47 cr (RE 2015-16).

MFL

During the year 2014-15, the Company ended up with a loss of ₹134.69 Cr and the total accumulated losses as on Mar 31, 2015 was ₹517.14 Cr due to GOI notification for not permitting to run Naphtha based Ammonia/Urea Plants from 1st October 2014 to 16th January 2015. During the period Apr – Dec 2015, the Company has ended up with a loss of ₹106.31 Cr, mainly on account of non-permission to run Naphtha based Ammonia/Urea Plants from 17th April 2015 to 16th June 2015 and likely to end up with a loss of ₹176.16 Cr during the year 2015-16.

FAGMIL

FAGMIL is engaged in the mining and marketing of mineral gypsum. Mineral Gypsum is used mainly as sulphur nutrient to the soil, as a soil amendment to sodic soil and also as an input raw-material to cement manufacturing. During 2014-15, company produced 10.26 LMT Gypsum and ended with Profit Before tax (PBT) of ₹54.82 crore. The cumulative production and sales turnover of gypsum upto December 2015 is also 4.40 LMT and ₹3569.04 lakh respectively.

The provisional Profit before Tax for the December,2015 is ₹294.88 lakh and cumulative Profit before Tax for the year up to December 2015 is ₹2247.60 Lakh as against ₹2917.46 lakh during the corresponding period of the previous year.

BVFCL

During the year 2014-15, BVFCL produced 3.59 LMT of Urea. The company also produced 19.93 MT of Bio-fertilizers. Due to approval of Financial Restructuring proposal by the Cabinet, the Company registered a profit of ₹647.44 Cr (PBT) during the year 2014-15 in overall sales turnover of ₹597.51 cr which includes a sale of ₹22.97 cr worth traded goods. During the year 2015-16, the company is expected to produce 3.36 LMT of urea with profit of ₹4.58 cr (PBT) for the whole year.

FACT

During the period of April to December 2015, the Company incurred a loss of ₹ 298.24 Crore (Provisional). During The first quarter of the current financial year 2015-16, company recorded loss of ₹117.96 crores on account of low production since annual turnaround was being carried out in production units. The production performance could be improved during the remaining months of the current year.

In the second quarter, the Company registered a loss of ₹60.88 crore. During the last quarter the company has a loss of ₹119.40 Cr taking the cumulative loss to ₹298.24 Cr. Huge outflow on account of interest for working capital loans caused a major drain on the working capital. Owing to higher raw material prices and unremunerative realization production of caprolactam was stopped since 11.10.2012.

Unit-wise Status of Revival of FCIL

Talcher Unit

- The pre-project activities for revival of Talcher unit are in progress to set up a fertilizer plant based on coal gasification technology.
- The Memorandum of understanding signed on 5.09.2013 and JV agreement on 27.10.2015 among consortium partners.
- A meeting held on 22.04.2015 in the Chairmanship of Minister of Chemicals & Fertilizers which was also attended by the MOS Coal, MoS Petroleum & Natural Gas and MoS Chemicals & Fertilizers, it was decided that for better coordination, it would be proper to set up one Joint Venture only. Further it was also decided that the fresh asset valuation of the existing infrastructure will be conducted by engaging a third party valuer. Further, the feasibility of the proposed investment will be examined by a reputed consultancy firm.

- SBICap has been appointed by CIL to carry out valuation of FCIL's assets, Financial viability analysis and to review TEFR.
- JV Company "Rashtriya Coal Gas Fertilizers Limited" (RCGF) has been incorporated on 13th November 2015.
- The report of the Technical consultant has been received and he has suggested that existing coal gasification technologies will be suitable for this project. SBICap is finalizing the financial viability report by firming up the capital cost and operating cost of manufacturing urea.
- JV Partners after going through the report will take further action on finalization of suitable coal gasification technology.
- Meanwhile a meeting held between Hon'ble Minister(C&F), Hon'ble Minister (Coal) & Hon'ble Minister(PN&G) to review progress of revival of FCIL units on 6.1.2016.
- During the meeting it was decided that the name of the JV be changed to 'Talcher Fertilizers Limited'.
- The equity participation would be now as under:

a)	RCF	-	26%
b)	CIL	-	37%
c)	GAIL	-	26%
d)	FCIL	-	11%
	Total	-	100%

Ramagundam unit

- The pre-project activities for revival of Ramagundam Unit (Telangana) are in progress to set-up a gas-based fertilizer plant.
- The Joint Venture agreement signed on 14.1.2015.
- JV Company named "Ramagundam Fertilizers & Chemicals Limited" formed on 17.2.2015.
- The JV Company would operate the plant and EIL would take up the detailed Engineering Procurement of equipment and Construction (EPC) of the plant.
- Licensor Agreements for Ammonia and Urea process placed on M/s HATS and SAIPEM respectively on 24.09.2015.
- Zero date for the project declared as 25.09.2015.
- Environment clearance obtained from MoEF on 16.10.2015
- Kick off meeting with licensors for Ammonia & Urea completed on 7.11.2015
- The project likely to be commissioned by 30.9.2018.

Constitution of Steering Committee

- A Steering Committee has been constituted under the Chairmanship of Secretary(Fertilizer) to monitor the progress of revival of Talcher & Ramagundam units.
- The meeting of the Steering Committee is being held regularly. Last meeting was held on 14.12.2015.
- The issue of gas pipeline in respect of Ramagundam unit is to be resolved by MoPNG. DoF has already requested MoPNG to convene a meeting of all stakeholders and resolve the issue.
- 2nd meeting of the Steering Committee was held on 10.02.2016 to review the progress of Talcher unit.
- SBI Cap has submitted its report to CIL.

- It was decided that consortium partners study the report submitted by CIL and the Board of the JV Company may build consensus on the way forward. A meeting may also be held with NITI Aayog to discuss the forward.
- It was advised that all the activities on the critical path to be achieved by the schedule dates by the JV Company.

Gorakhpur unit & Sindri unit

- An Empowered Committee under the chairmanship of CEO, NITI Aayog was constituted on 27.04.2015 for Gorakhpur and on 17.6.2015 for Sindri to oversee revival process.
- Six meetings of Empowered Committee have been held so far which took a number of decisions to expedite revival.
- Request for qualifications (RFQ) inviting expression of interest (EOI) for Gorakhpur and Sindri Units was published on 26.8.2015 and 17.9.2015 respectively.
- Pre-bid conferences were also held on 8.9.2015 and 10.10.2015 respectively.
- Survey of land at Gorakhpur and Sindri has been done to decide quantum of land to be required for the project.
- Valuation of all the existing usable & unusable assets for Gorkhpur & sindri has been completed.
- Investor meets are also organised for generating better response at Mumbai and Delhi on 4.11.2015 & 5.11.2015 respectively.
- Bids for RFQ in respect of Gorakhpur and Sindri received and opened on 16.11.2015
- M/s Matix Fertilizers and Chemicals Limited is the sole applicant for Gorakhpur.
- M.s Adani Enterprises Limited is the sole applicant for Sindri.
- The 7th meeting of EC was held on 4.12.2015 in which the response of the bidder for Gorakhpur & Sindri units were reviewed.
- M/s Deloitte, the transaction Advisor has been asked to study feedback from potential bidders during pre-bid /investor meets and suggest the way forward in this regard to make the proposal more attractive for the investor.
- M/s Deloitte has submitted its report. The report of M/s Deloitte is under examination.
- EC in its 8th meeting held on 12.01.2016 again discussed the situation in detail along with report of M/s Deloitte. M/s Deloitte has been asked to analyse various issues in detail and present the analyses with specific recommendations on the way forward.
- Meanwhile a meeting held between Hon'ble Minister(C&F), Hon'ble Minister (Coal) & Hon'ble Minister(PN&G) to review progress of revival of FCIL units on 6.1.2016.
- During the meeting issue of revival of Sindri discussed in details and following decisions were taken:
- FCIL would part with about 1000 acres of land at Sindri to Jharia Rehabilitation Development Authority (JhReDA) and they would pay market rate for the land. FCIL would set up a Gas-based fertilizer plant on its own at Sindri from the land sale proceeds and become anchor customer to GAIL.

- Sindri revival could be made in three modules; (i) Transfer of 1000 acres' land to JhReDA on payment of market price; (ii) Revival by FCIL (Gas-based) out of the sale proceed received from transfer of land; (iii) Explore possibilities to use surplus land for development of coal-based industries.
- EC in its 9th meeting held on 25.01.2016 again discussed the situation in detail along with report of M/s Deloitte on the way forward. The EC decided that in order to make the opportunities attractive, the bid process shall be reinitiated with interventions / benefits specific to the revival units.

Status of Revival of HFCL

For revival of Barauni unit a Cabinet note seeking waiver of GoI loan and Interest on GoI loan to make the net worth of the HFCL positive, to enable HFCL to come out from the purview of BIFR and revive Barauni unit itself, has been circulated for inter-ministerial consultation on 10.09.2015. Comments have been received from all ministries/departments except DoE. After the approval of Cabinet, the matter will be placed before BIFR requesting discharge of HFCL from the purview of BIFR. Only after discharge of HFCL from the purview of BIFR, revival process of Barauni unit can be taken further.

NATIONAL FERTILIZERS LIMITED

National Fertilizers Limited was incorporated on 23rd August, 1974 for setting up two Fertilizers Plants one at Bathinda in the State of Punjab and another at Panipat in the State of Haryana, with LSHS/FO as feed stock, and each having Urea production capacity of 5.115 lakhs tonne per annum. Subsequently, upon reorganization of the Fertilizer Corporation of India, Nangal Unit was transferred to NFL on 1st April 1978. The Panipat Plant was commissioned on 01.09.1979 and Bathinda Plant on 01.10.1979.

NFL commissioned the Gas based Urea plant with an annual capacity of 7.26 lakh MT at Vijaipur in Madhya Pradesh in July, 1988. The Urea capacity at Vijaipur Plant has been doubled on commissioning of its Expansion Unit in March 1997. The capacities of Vijaipur-I&II have been increased to 8.65 lakh MT w.e.f. 01.04.2000 due to revision of capacities by the Govt.

At Nangal, Urea Plant was revamped and capacity increased from 3.30 lakh MT to 4.79 lakh MT w.e.f. 01.02.2001. The present urea capacity of NFL is 35.68 Lakh MT (i.e.16.41 lakh Tonne of Nitrogen). With the Revamp of Urea Plant at Nangal, CAN production was curtailed and subsequently CAN plant has been stopped w.e.f 01.04.2005 due to non - viability in its operations. Apart from urea the Company also produces number of Industrial Products like Nitric Acid, Sodium Nitrite and Nitrate, Ammonium Nitrate etc. Company has a Bio - Fertilizers plant at Vijaipur.

NFL through its in - house R&D activities developed neem coated urea. NFL is the first Company in the industry permitted by Government of India to produce neem coated urea in the year 2004 vide notification No. S.O.807 (E) dated 9th July, 2004. The value-added neem coated urea developed by NFL & widely recognized for its effectiveness is being produced at its units at Nangal, Panipat, Bathinda and Vijaipur.

As on 31st March, 2015, the Company had an Authorized Capital of ₹ 1000 crore and subscribed and paid up Capital of ₹ 490.58 crore. To comply with the Securities and Exchange Board of India (SEBI) norms disinvestment of 7.64% GoI shares was carried out on 31st July, 2013, thereby reducing GoI shareholding to 90% from 97.64%. Further, Government disinvested 0.29% shares out of its 90% shares to NFL employees by reducing its stake from 90% to 89.71% in the month of June 2014.

The details of actual production during 2014-2015 and target of production during 2014-2015 and 2015-2016 together with the details of Capacity Utilization are given in Statement-II. The break-up of the Plan Outlay (Scheme wise) is given in Statement – I.

OPERATING UNITS – PHYSICAL PERFORMANCE

During 2014-2015, the aggregate production from NFL Plants put together was 16.74 lakh tones 'N' against 16.42 lakh tones 'N' targeted. The aggregate Capacity Utilization for the year was 112.63% without Industrial 'N'.

FINANCIAL PERFORMANCE

- The Company, during 2014-2015, produced 36.39 lakh MT of Urea (including 13.65 LMT Neem Coated Urea (NCU)). Company also produced 505.64 MT of Bio-Fertilizers from its Bio-Fertilizer plant at Vijaipur during the year.
- NFL earned Profit before tax (PBT) to the tune of ₹ 44.72 crore during 2014-2015 on overall sales turnover of ₹ 8520 crore which includes a sale of Industrial Products and Traded goods etc. worth ₹ 121 crore.

PROJECT/SCHEMES UNDER IMPLEMENTATION/PROPOSED FOR IMPLEMENTATION AND PROVIDED FOR IN THE BUDGET **STATEMENT - I**
(₹ crore)

S. NO.	DETAILS	12th Five Year Plan	EXPENDITURE FOR 2014-2015 (ACTUAL)	OUTLAY 2015-		PROPOSED OUTLAY 2016-2017	START OF COMMERCIAL PRODUCTION		REASONS FOR VARIATION
		ORIGINAL		B.E.	R.E.		ORIGINAL	NOW ANTICIPATED	
1	2	3	4	5	6	7	8	9	10
A	CONTINUING SCHEMES:								
1	Improvement in effluent treatment	0.40							
2	Information Technology	33.50	1.05	20.00	3.00	7.00			
3	Renewal and Replacement (incl. Science & Technology)	177.93	44.93	56.60	72.50	127.69			
4	Upgradation of Instrument and Electrical System	45.25	0.01	3.90	6.01	26.65			
	Sub-Total (A)	257.08	45.99	80.50	81.51	161.34			
B	NEW SCHEMES:								
1	Capacity Enhancement and Energy Saving Project - Vijaiapur-I	36.00	1.00						
2	Capacity Enhancement of Vijaiapur-II	39.00	0.81						
3	Installation of CDR at Vijaiapur	21.80	0.23						
4	Changeover of Feed stock from FO to RLNG at Panipat Unit	615.15	42.40	33.58					
5	Changeover of Feed stock from FO to RLNG at Bathinda Unit	628.74	28.69						
6	Changeover of Feed stock from FO to RLNG at Nangal Unit	653.50	28.80	153.20	194.09				

S. NO.	DETAILS	12th Five Year Plan		EXPENDITURE FOR 2014-2015 (ACTUAL)	OUTLAY 2015-		PROPOSED OUTLAY 2016-2017	START OF COMMERCIAL PRODUCTION		REASONS FOR VARIATION
		ORIGINAL			B.E.	R.E.		ORIGINAL	NOW ANTICIPATED	
1	2	3	4		5	6	7	8	9	10
7	Takeover and revival of closed urea plant									
i)	Contribution towards equity for Revival of Ramagundam project	450.00	2.44		25.00	25.00	140.00			
ii)	Investment in closed urea units - Sindri	390.00								
8	Feasibility study and Installation of Additive Chemical Plant at Vijaipur	30.00								
9	Installation of Single Super Phosphate Plant at Panipat				5.00					
10	Purge Gas Recovery (PGR) at Vijaipur		0.23		2.00	29.10				
11	Petcoke Gasification Plant at Nangal (Feasibility Study)					0.50				
12	Bentonite sulphur plant at Panipat				5.00	0.50	30.00			
13	Packaged Drinking Water Plant at Nangal				2.00					
14	Solar Power Plant						50.00			
15	Construction of Office Building at Zonal Marketing Offices (Lucknow and Punchkula)					3.00	13.00			
16	Construction of Auditorium and Guest House at Noida Corporate Office etc.					2.10	0.60			
17	Energy Reduction Schemes at Vijaipur						20.00			
	Sub-Total (B)	2864.19	104.60		225.78	254.29	253.60			

S. NO.	DETAILS	12th Five Year Plan ORIGINAL	EXPENDITURE FOR 2014-2015 (ACTUAL)	OUTLAY 2015-2016		PROPOSED OUTLAY 2016-2017	START OF COMMERCIAL PRODUCTION		REASONS FOR VARIATION
				B.E.	R.E.		ORIGINAL	NOW ANTICIPATED	
1	2	3	4	5	6	7	8	9	10
	Research & Development (C)			1.00	0.65	1.00			
	Grand-Total (A+B+C)	3121.27	150.59	307.28	336.45	415.94			

STATEMENT -II													
('000 MT)													
NAME OF PLANT/ PROJECT	ANNUAL REASSESSED CAPACITY		2014-2015				2015-16			2016-17		REASONS FOR VARIATION W.R.T. TARGETS 2014-2015	
			TARGET	ACTUAL	% CAP. UTLN.	TARGET	ANTICIPA TED	% CAP. UTLN.	ESTIMA TED	% CAP. UTLN.			
1	2	3	4	5	6	7	8	9	10	11	12		
NANGAL	220.110	220.110	220.110	220.110	100.00%	220.110	253.000	114.94%	253.000	114.94%			
PANIPAT	235.290	235.290	235.290	235.291	100.00%	235.290	244.490	103.91%	244.490	103.91%			
BATHINDA	235.290	235.290	235.290	257.669	109.51%	235.290	241.505	102.64%	242.420	103.03%			
VIJAIPUR - I	397.716	397.716	451.306	437.343	109.96%	455.998	460.000	115.66%	470.120	118.20%			
VIJAIPUR - II	397.716	397.716	500.296	523.409	131.60%	505.172	509.910	128.21%	501.860	126.19%			
TOTAL	1486.122	1486.122	1642.292	1673.822	112.63%	1651.860	1708.905	114.99%	1711.890	115.19%			

ESTIMATES OF INTERNAL / EXTERNAL RESOURCES
PART - I RETAINED PROFITS/ SURPLUS

STATEMENT-III
(₹ Crore)

S. NO.	DESCRIPTION	2011-2012	2012-2013	2013-2014	2014-15	2015-16		2016-17	Reasons for variation w.r.t. targets (2014-15)
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	B.E.	R.E.	B.E.	
1	2	3	4	5	6	7	8	9	10
1	<u>RECEIPTS</u>								
a)	<u>GROSS SALES/OPERATING INCOME</u>								
(i)	SALE OF FERTILIZERS	7,111.66	6,594.52	7,930.83	8,399.39	7,844.51	7,517.39	7,656.86	
(ii)	SALE OF OTHER PRODUCTS	193.63	125.71	86.20	120.30	633.00	577.44	1,058.10	
	TOTAL SALES (a)	7,305.29	6,720.23	8,017.03	8,519.69	8,477.51	8,094.83	8,714.96	
b)	OTHER INCOME	37.37	36.62	45.29	42.07	37.17	36.82	38.84	
	TOTAL (1)	7,342.66	6,756.85	8,062.32	8,561.76	8,514.68	8,131.65	8,753.80	
2	<u>OPERATING COST</u>								
a)	SALARIES & WAGES	407.83	417.89	417.42	475.44	460.53	457.53	461.04	
b)	MAINTENANCE COSTS	80.31	90.38	67.05	74.24	76.00	90.00	100.00	
c)	OTHER COSTS	6,568.93	6,331.83	7,338.22	7,509.13	7,610.20	7,141.86	7,781.51	
	TOTAL (2)	7,057.07	6,840.10	7,822.69	8,058.81	8,146.73	7,689.39	8,342.55	
3	<u>DEPRECIATION & WRITE-OFFS</u>								
a)	DEPRECIATION ON ALL ASSETS	91.22	117.67	129.17	72.56	83.33	89.59	88.41	
b)	DRE WRITE OFF	-	-	-	-	-	-	-	
	TOTAL (3)	91.22	117.67	129.17	72.56	83.33	89.59	88.41	
4	<u>INTEREST PAYMENT TO</u>								
a)	CENTRAL GOVERNMENT	-	-	-	-	-	-	-	
b)	OTHERS	66.24	129.73	203.89	301.36	203.57	207.00	202.00	
	TOTAL (4)	66.24	129.73	203.89	301.36	203.57	207.00	202.00	

S. No	DESCRIPTION	2011-2012	2012-2013	2013-2014	2014-15	2015-16		2016-17	REASONS FOR VARIATION W.R.T. TARGETS (2014-15)
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	B.E.	R.E.	B.E.	
1	2	3	4	5	6	7	8	9	10
5	BONUS TO EMPLOYEES	-	-	-	-	-	-	-	
6	ACCRETION (+) OR DECRETION (-)	(56.07)	(100.03)	67.73	84.31	1.58	(3.68)	(0.36)	
	STOCKS OF FINISHED PRODUCTS/								
7.(a)	PROVISION FOR INCOME TAX	57.47	(59.89)	(71.45)	18.48	12.57	31.87	25.86	
7.(b)	PROVISION FOR TAX ON DIVIDEND	6.21	-	-		4.00			
8	DIVIDEND PAYMENTS TO i) GOVERNMENT	37.36	-	-	10.04	20.08	42.42	34.43	
	ii) OTHERS	0.91	-	-		-	-	-	
		38.27	-	-	10.04	20.08	42.42	34.43	
9	INVESTMENTS IN SECURITIES IF	-	-	-	-	-	-	-	
	OBLIGATORY DUE TO STATUTORY								
	OR OTHER REQUIREMENTS								
10	TOTAL (2 TO 9)	7,260.41	6,927.58	8,152.03	8,545.56	8,471.86	8,056.59	8,692.89	
	RETAINED PROFITS / SURPLUS	82.25	(170.73)	(89.71)	16.20	42.82	75.06	60.91	
	CARRIED OVER TO PART - II								
	(ITEM NO.1 MINUS ITEM NO. 2 TO 9)								

STATEMENT-III (Cont.)

GENERATED INTERNAL AND EXTRA BUDGETARY SUPPORT FOR PLAN SCHEMES

S. NO.	DESCRIPTION	2011-2012	2012-2013	2013-2014	2014-15	2015-16		2016-17	REASONS FOR VARIATION W.R.T. TARGETS (2014-2015)
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	B.E.	R.E.	B.E.	
1	2	3	4	5	6	7	8	9	10
1	RETAINED SURPLUS FROM PART - I	82.25	(170.73)	(89.71)	16.20	42.82	75.06	60.91	
2	ADD : DEPRECIATION AND WRITE-OFFS	91.22	117.67	129.17	72.56	83.33	89.59	88.41	
	TOTAL (1 + 2)	173.47	(53.06)	39.46	88.76	126.15	164.65	149.32	
3	DEDUCT:								
a)	TOTAL LOAN REPAYMENT OF WHICH ;	-	-	832.00	876.05	855.63	829.70	841.38	
	(TO GOVT. OF INDIA)	-	-	-	-	-	-	-	
b)	NET INCREASE IN WORKING CAPITAL	419.85	(26.69)	(789.10)	(913.60)	(1,012.04)	(990.00)	(1,050.00)	
	REQUIREMENT (OTHER THAN CASH AND								
	BANK BALANCE) FOR FINANCING								
	INCREASE IN INVENTORIES, WORKS								
	IN PROGRESS ETC.								
c)	NON-PLAN CAPITAL REQUIREMENT -OTHER								
	(CAPITALISATION OF STANDBY	-	-	-	-	-	-	-	
	ASSEMBLIES/INSURANCE SPARES)								

S NO	DESCRIPTION	2011-2012		2012-2013		2013-2014		2014-15		2015-16		2016-17		REASONS FOR VARIATION W.R.T. TARGETS (2014-2015)
		ACTUAL	2011-2012	ACTUAL	2012-2013	ACTUAL	2013-2014	ACTUAL	2014-15	B.E.	R.E.	B.E.	2016-17	
1	2	3		4		5		6		7	8	9	10	
d)	AMOUNTS WITHDRAWN FROM RESERVES TO MEET FULLY OR PARTLY EXPENDITURE AND TREATED AS OFF SETTING EXPENDITURE IN PART -II.	-		-		-		-		-	-	-	-	
4	ADJUSTED INTERNAL RESOURCES AVAILABLE FOR PLAN SCHEMES (1 + 2 - 3)	(246.38)		(26.37)		(3.44)		126.31		282.56	324.95	357.94		
5	CARRY FORWARD SURPLUS AVAILABLE FROM PREVIOUS YEAR	437.94		47.75		171.23		50.78		92.38	26.50	15.00		
6	TOTAL INTERNAL RESOURCES (4 + 5)	191.56		21.38		167.80		177.09		374.94	351.45	372.94		
7	EXTERNAL CAPITAL RESOURCES : (OTHER THAN FROM GOVT.OF INDIA)	-		-		-		-		-	-	-		
a)	NET ACCRETION IN PROVIDENT FUND BALANCES IF RETAINED AS PART OF CASH BALANCE OF THE UNDERTAKING	-		-		-		-		-	-	-		
b)	GROSS ASSISTANCE FROM FINANCIAL INSTITUTIONS FOR PLAN PROJECT. INDIAN (SPECIFY SOURCE)	1,192.00		1,859.00		399.00		-		-	-	-		

S. NO.	DESCRIPTION	2011-2012	2012-2013	2013-2014	2014-15	2015-16		2016-17	REASONS FOR VARIATION W.R.T. TARGETS (2014-2015)
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	B.E.	R.E.	B.E.	
1	2	3	4	5	6	7	8	9	10
c)	GROSS ASSISTANCE FROM FINANCIAL INSTITUTIONS FOR PLAN PROJECT FOREIGN (SPECIFY SOURCE)	-	-	-	-	-	-	62.50	
d)	FOREIGN COMMERCIAL BORROWINGS/ SUPPLIERS CREDIT	117.19	196.75	-	-	-	-	-	
e)	PUBLIC DEPOSIT	-	-	-	-	-	-	-	
f)	BONDS/DEBENTURE	100.40	-	-	-	-	-	-	
g)	ISSUE OF EQUITY TO PUBLIC	-	-	-	-	-	-	-	
	TOTAL	1,409.59	2,055.75	399.00	-	-	-	62.50	
8	TOTAL INTERNAL AND EXTERNAL RESOURCES AVAILABLE FOR FINANCING	1,601.15	2,077.13	566.80	177.09	374.94	351.45	435.44	
	PLAN EXPENDITURE ON PROJECTS								
	RENEWALS & REPLACEMENTS ETC. (6+7)								
9	PLAN OUTLAY	1,553.82	1,905.90	516.02	150.59	307.28	336.45	415.94	

S.NO.	DESCRIPTION	2011-2012	2012-2013	2013-2014	2014-15	2015-16		2016-17	REASONS FOR VARIATION W.R.T. TARGETS (2014-2015)
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	B.E.	R.E.	B.E.	
1	2	3	4	5	6	7	8	9	10
10	BUDGETARY SUPPORT FROM GOVT. FOR PLAN SCHEMES (9 - 8 OR NIL IF 8 IS GREATER THAN 9.)	-	-	-		-	-	-	
11	DETAILS OF NON-PLAN BUDGETARY SUPPORT FROM GOVT. OF INDIA	-	-	-		-	-	-	
12	CARRY FORWARD OF SURPLUS FOR NEXT YEAR	47.75	171.23	50.78	26.50	67.66	15.00	19.50	

STATEMENT-IV

PERFORMANCE INDICES

S.NO.	DETAILS	2014-15 ACTUAL	2013-14 ACTUAL
1.	COST OF PRODUCTION/OPERATION (₹ crore)	7921.67	7714.69
2.	COST OF SALES (₹ crore)	8474.97	8178.19
3.	VALUE OF PROD./OUTPUT/SERVICE (₹ crore)	8043.05	7571.38
4.	DEBT EQUITY RATIO	5.16:1	3.78:1
5.	CURRENT RATIO	4.59:1	3.65:1
6.	PERCENTAGE OF VALUE ADDED TO CAPITAL EMPLOYED.	10.68	7.94
7.	PERCENTAGE OF NET SALES/OPERATING INCOME TO CAPITAL EMPLOYED.	83.72	83.88
8.	FINISHED GOODS INVENTORY (EXPRESSED AS NO. OF DAYS OF SALES)	3	7
9.	RAW MATERIALS INVENTORY (AS NO. OF DAYS OF RAW MATERIAL CONSUMPTION) *	0	0
10.	SUNDRY DEBTORS (EXPRESSED AS NO. OF DAYS OF NET SALES.)	215	211
11.	PROFITABILITY (PERCENTAGE OF G.P. TO CAPITAL EMPLOYED)	3.40	0.45
12.	PERCENTAGE OF NET PROFIT AFTER TAX TO PAID UP CAPITAL	5.35	-18.29
13.	PERCENTAGE OF NET PROFIT AFTER TAX TO NET WORTH	1.77	-6.00
14.	LABOUR CONTENT AS PERCENTAGE OF COST OF PRODUCTION	6.00	5.41
15.	RAW MATERIAL CONTENT AS % AGE OF COST OF PRODUCTION	85.40	85.92
16.	NO. OF EMPLOYEES	3798	4068
17.	% AGE OF MAINTENANCE TO CAPITAL COST	1.03	0.93

- All Plants Converted to Gas

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

1. Rashtriya Chemicals and Fertilizers Limited (RCF) was incorporated on 6th March, 1978 and it came into being as a result of the reorganization of the erstwhile Fertilizer Corporation of India Limited. At the time of its formation, the company had one operating unit, viz. Trombay (old plants) and two major projects under implementation viz. Trombay IV expansion and Trombay V expansion, besides the West, South Marketing Zones and the Bombay Purchase and Liaison office. RCF was the first fertilizer company in India to commission a green field, mega fertilizer complex at Thal-Vaishet in the state of Maharashtra.

2. The Trombay IV Expansion Project with an annual capacity of 75,000 Tonnes each of Nitrogen and Phosphate (P₂O₅) went into commercial production on 1st January 1979. Trombay-V Expansion also started commercial production w.e.f. 1st July 1982 with an annual capacity of 1,51,800 Tonnes of Nitrogen. The Thal Fertilizer Plant of annual installed capacity of 9,20,000 Tonnes of Nitrogen started commercial production w.e.f. 1st June, 1985.

RCF has a total installed capacity of about 11.71 Lakh Tonnes of Nitrogen and 0.99 Lakh Tonnes of P₂O₅ and 0.45 Lakh Tonnes of K₂O. Besides fertilizers, the Company also produces a number of industrial chemicals such as Methanol, Concentrated Nitric Acid, Methylamines, Ammonium Bicarbonate, Sodium Nitrate/Nitrite, DMF, DMAC, etc.

The capital structure of the company is as follows:

Authorized Capital	Rs. 800.00 crores
Paid up Capital	Rs. 551.69 crores.

3 Production Performance

The details of Target and Actual Production during the years 2014-15, 2015-16 and targets for 2016-17 along with the corresponding figures of capacity utilization for the respective years are furnished in **Statement-II**.

4. Financial Performances

Profitability

The Company's operations during the year 2014-15 resulted in a net Profit of Rs.322.06 crore after provision for Tax of Rs.187.57 crore.

The projected profit after tax for the Year 2016-17 is Rs.219.45 crore. The provisional profit before tax for the period April 2015 to November 2015 is Rs.208.99 Crore.

2. The data in respect of projects/schemes under implementation/ proposed for implementation, estimates of internal and external resources and performance indices for the 2014-15 are given in Statement I, II, & III, respectively.

PROJECT/SCHEMES UNDER IMPLEMENTATION/PROPOSED FOR IMPLEMENTATION AND PROVIDED FOR IN THE BUDGET									
NAME OF UNDERTAKING:								Statement-1 (Rs in Crores)	
RASHTRIYA CHEMICALS AND FERTILIZERS LTD.									
SR. NO	PARTICULARS	12 Plan (2012-17)	Actual Expenditure 2014-15	Outlay 2015-16 (BE)	Outlay 2015-16 (RE)	Actual Expenditure 2015-16 (Upto Dec 15)	Outlay 2016-17 (BE)		
	1	2	3	4	5	6	7		
A.	Central Sector Schemes								
A.1	Ongoing Schemes								
1	Facilities for LNG supply								
2	Development of New Project	5.00	0.26	5.00	2.00	0.86	1.50		
3	Revival of Ammonia Import Facility								
4	Argon Recovery At Thal								
5	Thal Ammonia Revamping (including Urea portion)	184.89	0.00						
6	CDM Project								
7	Real Estate Development								
8	Modernisation of Methanol Plant								
9	Gypcrete Panel Plant								
10	ANP modification(Granulation/wet part revamp/crystallizer etc.)								
11	Misc Projects								
12	Ethanol								
13	MAP 100 % water soluble								
14	Btal Wagon								
15	Constuction of warehouses in ports	20.00							
16	Urea Projects at Durgapur and Talcher	0.00							
17	Wind Mill								

Rashtriya Chemicals & Fertilizers Limited (RCFL)												
Statement-II (000 tonnes)												Reasons for variation w.r.t.target 2014-15
Name of Plant/Project	Annual Installed Capacity	2014-15				2015-16				2016-17		
		Target	Actuals	Capacity Utilisation (%)	BE Target	RE	Actuals (April to December 2015)	Capacity Utilisation (%)	Estimated	Capacity Utilisation (%)		
	1.	2	3	4	5	6	7	8	9	10	11	12
(A)	N Trombay-I (Suphala 15:15:15) Trombay-IV (Suphala 20:20:0) Trombay-V- Urea Thal- Urea Total 'N'	81.00	52.5	59.5	132.3	57.0	80.0	50.8	98.7	90.0	111.1	Note-1
		54.00	49.6	52.1	96.5	50.0	40.0	35.1	74.1	30.0	55.6	Note-2
		151.80	161.0	194.8	128.3	173.9	195.5	160.1	128.8	195.5	128.8	
		920.00	966.0	1001.9	108.9	966.0	966.0	747.0	105.0	972.9	105.8	
		1206.80	1229.10	1308.31	108.41	1246.88	1281.45	992.89	106.19	1288.40	106.76	
(B)	P2O5 Trombay-I (Suphala 15:15:15) Trombay-IV (Suphala 20:20:0) Total P2O5	81.00	52.5	59.5	73.5	57.0	80.0	50.8	98.7	90.0	111.1	
		54.00	49.6	52.1	96.5	50.0	40.0	35.1	74.1	30.0	55.6	
		135.00	102.10	111.6	170.0	107.0	120.0	85.9	172.8	120.0	166.7	
(C)	K2O Trombay-I (Suphala 15:15:15) Total K2O	81.0	52.5	59.5	73.5	57.0	80.0	50.8	98.7	90.0	111.1	
		81.00	52.5	59.5	73.5	57.0	80.0	50.8	98.7	90.0	111.1	
Note:1Suphalarehabilitation completed in Oct. 2015. production has increased. Also production of Suphala 15:15:15 envisaged through ANP Plant												
Note:2 Due to market limitation for ANP & preference for Suphala. Suphala production is enhanced through ANP plant. Hence lower ANP Production												
Note: Suphala rehabilitation completed in Oct. 2015. Production has increased. Also production of Suphala 15:15:15 envisaged through ANP Plant.												

STATEMENT-III						
RASHTRIYA CHEMICALS & FERTILIZERS LTD.						
ESTIMATES OF INTERNAL/EXTERNAL RESOURCES						
Part-I :Retained Profits/Surplus						
(₹ crores)						
		2013-14	2014-15	2015-16		2016-17
S.no.	Description	(Actual Expenditure)	(Actual Expenditure)	BE	RE	BE
		(1)	(2)	(3)	(4)	(5)
1	RECEIPTS					
	(i) Gross Sales/Operating income	6587.60	7713.45	8179.51	9388.20	9910.13
	(ii) Other income	74.04	74.36	50.21	74.11	69.22
	Total(1)	6661.64	7787.81	8229.72	9462.31	9979.35
2	OPERATING COST					
	(i) Salaries & Wages	442.00	526.24	511.80	472.55	502.10
	(iv) Other Costs	5269.67	6384.40	7040.33	8415.10	8850.95
	Total(2)	5711.67	6910.64	7552.13	8887.65	9353.05
3	DEPRECIATION AND WRITE OFF					
	(i) Depreciation on all assets	141.75	258.12	166.20	144.45	135.74
	(ii) DRE-Write-off	0.00	0.00	0.00	0.00	0.00
	(iii) Total(3)	141.75	258.12	166.20	144.45	135.74
4	Accretion (+)or decretion (-)of stocks of finished products	309.61	-7.53	-15.56	-2.60	8.18
5	Gross Profit/loss(Item 1 Minus Items2 to 4)	498.61	626.58	526.95	432.81	482.38
6	Interest payments to:-					
	(i) Central Government	0.00	0.00	0.00	0.00	0.00
	(ii) Others	131.29	116.95	147.81	130.34	158.23
	(iii) Total (6)	131.29	116.95	147.81	130.34	158.23
	VII & VII Pricing impact					
	Profit before Tax	367.32	509.63	379.14	302.47	324.15
7	Provision for Income tax	117.43	187.57	128.87	105.80	104.70
8	Dividend payment (30% of PAT + div. tax)	96.79	119.52	90.37	71.01	79.24
9	Investments in securities if obligatory due to statutory or other requirements					
10	Retained profits/surplus carried over to Part-II.	153.10	202.54	159.90	125.66	140.21

* Previous years figures have been regrouped wherever necessary.
Grouping done as per Schedule III of Companies Act 2013

STATEMENT-IV

RASHTRIYA CHEMICALS & FERTILIZERS LTD.PERFORMANCE INDICES

Sr. No.	Details	2014-15	2013-14
1.	Cost of production/operation (Rs./lakhs)	717393	620014
2.	Cost of sales (Rs./lakhs)	717393	620014
3.	Value of prod/output/service(Rs./lakhs)	769109	625785
4.	Debt Equity Ratio	0.14	0.13
5.	Current Ratio	1.62	1.58
6.	Percentage of value added to to capital - employed	53.83	59.00
7.	Percentage of Net Sales/Operating Income to capital employed.	240.40	219.03
8.	Finished goods inventory (expressed as No. of days of sales).	10	11
9.	Raw materials inventory (As No. of days of raw materials consumption).	45	22
10.	Sundry Debtors * (Expressed as No. of days of net sales).	28	28
11.	Profitability (percentage of G.P.to capital employed).	28.44	20.98
12.	Percentage of net profit to paid up capital	58.38	45.30
13.	Percentage of net profit to net worth	11.88	9.96
14.	Labour content as percentage of cost of production	7.34	7.13
15.	Raw materials content as % of cost of production	41.28	40.82
16.	No. of employees	3957	3967
17.	Percentage of maintenance to capital cost.	3.96	4.78

* Previous years figures have been regrouped wherever necessary. Grouping done as per Schedule III of Companies Act 2013

	Ratios Working Sheet			2014-15	2013-14
1.	<u>Cost of production/operation (Rs./lakhs)</u>				
	Material consumed			311249	264611
	Salaries & Wages			52624	44200
	Power & Fuel			146873	124703
	Freight & Handling			74841	54934
	Repairs & Maintenance			16068	19171
	Other expenses			36822	35136
	Interest (Net)			11138	11990
	Depreciation			25812	14175
	Purchase of Proudcts			52588	28412
	Stock Adjustments			-753	30961
				727262	628293
	Less:-				
	Other Income			9869	8279
	Transfer Credit			0	0
	Add:-				
	Provision for DD				
				717393	620014
2.	<u>Cost of sales (Rs./lakhs)</u>				
	Sales & Subsidy			768356	656746
	Less:- Operating Profit			50963	36732
				717393	620014
3.	<u>Value of prod/output/service(Rs./lakhs)</u>				
	Sales net of excise & trade discount			380703	329659
	Add:- Subsidy			387653	327087
				768356	656746
	Add:- Closing Stock (own products)			21064	20614
	Intermediary			2988	2754
	By-Products			1004	870
	Carbon credits				88
	Excise adj			23	-92
				25079	24234
	Less:- Opening Stock (own products)			20614	51556
	Intermediary			2754	2653
	By-Products			870	951
	Carbon cr			88	35
				24326	55195
				769109	625785
4.	<u>Debt Equity Ratio</u>				
	G.O.I			0	0
	PDS			0	0
	Banks			37456	33211
	Others			0	0
				37456	33211

	Equity			55169	55169
	Reserves & Surplus			215924	195670
				271093	250839
				0.14	0.13
5.	Current Ratio				
	Current Assets			444293	373768
	Current Liability			274787	235895
				1.62	1.58
6.	Percentage of value added to to capital - employed				
	Value of sales			768356	656746
	Less:-				
	Material consumed			311249	264611
	Power & Fuel			146873	124703
	Freight & Handling			74841	54934
	Purchase of Finished Goods			52588	28412
	Water Charges			10764	7189
				172041	176897
	Capital Employed				
	Net Fixed Assets			150104	161967
	Working Capital			169506	137873
	Capital Employed			319610	299840
				53.83	59.00
7.	Percentage of Net Sales/Operating Income to capital employed.				
	Net Sales			768356	656746
	Capital Employed			319610	299840
				240.40	219.03
8.	Finished goods inventory (expressed as No. of days of sales).				
	Finished Goods Inventory			21064	20614
	Sales			768356	656746
				10.01	11.46
9.	Raw materials inventory (As No. of days of raw materials consumption).				
	Raw Material			36270	15166
	Raw Material Consumed			296138	253109
				44.70	21.87
				45	22
10.	Sundry Debtors (Expressed as No. of days of net sales).				
	Sundry Debtors (As per initialed A/Cs)				
	Mktg.(Fertilizer)			29668	24840
	IPD			0	0

				29668	24840
	Net Sales				
	Mktg. (Own+Imp)			275764	230912
	IPD			104939	98747
				380703	329659
				28.44	27.50
11.	Profitability (percentage of G.P.to capital employed).				
	Net Profit			32206	24989
	Add:-				
	Income Tax			21757	11743
	Depr.			25812	14175
	Interest			11138	11990
	Provision of Intercompany Loan			0	0
				90913	62897
	Capital Employed			319610	299840
				28.44	20.98
12	Percentage of net profit to paid up capital				
	Net Profit			32206	24989
	Paid Capital			55169	55169
				58.38	45.30
13	Percentage of net profit to net worth				
	Net Profit			32206	24989
	Net Worth (Reserves& Surplus +Share Cap-Misc.exp.,)			271093	250839
				11.88	9.96
14	Labour content as percentage of cost of production				
	No. of employees			3957	3967
	Cost of Production			717393	620014
	Labour cost			52624	44200
				7.34	7.13
15	Raw materials content as % of cost of production				
	Raw Material			296138	253109
	Cost of Production			717393	620014
				41.28	40.82
16	No. of employees			3957	3967
17	Percentage of maintenance to capital cost.				
	Maintenance Cost			16068	19171
	Gross Block			405830	401099
				3.96	4.78

Annual Plan (2015-16) Particulars for Programmes/Projects to be Financed Wholly by Domestic Resources*

RASHTRIYA CHEMICALS AND FERTILIZERS LTD.

(₹ in Crores)

SR. NO	PARTICULARS	12th Plan (2012-17)	Annual Plan (2014-15)	Annual Plan (2015-16)	Annual Plan (2015-16)	Annual Plan (2016-17)
		Approved Outlay	Actual Expenditure	Anticipated Expenditure	Actual Expenditure (Upto Dec. '15)	Proposed Outlay
	1	2	3	4	5	6
A.	Central Sector Schemes					
A.1	Ongoing Schemes					
1	Facilities for LNG supply					
2	Development of New Project	5.00	0.26	2.00	0.86	1.50
3	Revival of Ammonia Import Facility					
4	Argon Recovery At Thal					
5	Thal Ammonia Revamping (including Urea portion)	184.89				
6	CDM Project					
7	Real Estate Development					
8	Modernisation of Methanol Plant					
9	Gypcrete Panel Plant					
10	ANP modification (Granulation/wet part revamp /crystallizer etc.)					
11	Misc Projects					
12	Ethanol					
13	MAP 100 % water soluble					
14	Btal Wagon					
15	Construction of warehouses in ports	20.00				
16	Urea Projects at Durgapur and Talcher	0.00				
17	Wind Mill					
18	Revamp of Syn. Gas Compressor drive Turbine	4.49				
19	JV Others & with FACT (inc ITalcher and JV abroad)	1150.00	0.12	38.00		17.50
20	Renewal Replacement Schemes	284.57	104.41	169.94	60.96	220.67
21	Feasibility studies others	8.00	0.98			
22	Additional Ammonia Urea at Thal	4113.00	0.02	420.00	0.08	1931.00
23	Information Technology	15.00	4.38	11.09	3.20	8.98
24	DAP Joint Venture Rajasthan					
25	Debottlenecking Scheme of Urea					
26	Revamping of Ammonia V					
27	Chikton Project					
	Sub Total (A-1)	5784.95	110.17	641.03	65.10	2179.65

A.2	NEW SCHEMES					
1	Suphala Rehabilitation	14.00	6.19	10.00	8.92	0.00
2	Revamp of Fire Hydrant System	15.30	7.96	1.68	0.50	0.00
3	Granulated SSP at Thal	300.00				
4	Sewage Treatment Plant at Trombay	175.00	12.40	49.00	31.26	124.79
5	ANP-CN filter scheme	6.50				
6	Installation of Gas Turbine at Thal	30.00		40.00	1.58	262.08
7	Office premises at Area Offices	10.00				
8	Township Redevelopment			8.00	2.38	23.40
9	Solar Energy 2MW			13.63	7.96	0.00
10	Bentonite Sulphur			0.00		
11	Trombay Urea-V Revamp project - Casale			5.00		30.00
12	Trombay Urea-V Revamp Project - NIIK			1.25		4.98
13	Installation of Gas Turbine @ Trombay			0.00		5.00
14	Potash Project with Encanto Potash & Acron			1.00		1.00
		550.80	26.55	129.56	52.60	451.25
	Total A	6335.75	136.72	770.59	117.70	2630.90

RASHTRIYA CHEMICALS & FERTILIZERS LTD.						
GENERATED INTERNAL AND EXTRA BUDGETARY RESOURCES FOR PLAN						Part II
(Rs./crores)						
(1)	Description	2013-14	2014-15	2015-16		2016-17
		(Actual Expenditure)	(Actual Expenditure)	(BE Estimates)	(RE Estimates)	(BE Estimates)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Retained surplus from part - 1	153.10	202.54	159.90	125.66	140.21
2	Add: Depreciation and write offs	141.75	258.12	166.20	144.45	135.74
	Total (1+2)	294.85	460.66	326.10	270.11	275.95
3	Deduct					
	(i) Total loan repayment:	0.00	0.00	0.00	0.00	0.00
	of Which					
	(To Government of India)	0.00	0.00	0.00	0.00	0.00
	(ii) Net increase in the margin for working capital requirement	0.00	0.00	0.00	0.00	0.00
	(iii) Non-plan capital requirement (Breakup of major items like replacements, repairs and maintenance held be indicated)	0.00	0.00	0.00	0.00	0.00
	(iv) Others if any (please specify) (Cash reserves)(Term loans)	90.89	31.55	83.36	70.00	266.10
	(v) Total (3)	90.89	31.55	83.36	70.00	266.10
4	Adjusted internal resources available for plan schemes (1+2-3)	203.96	429.11	242.74	200.11	9.85
5	Carry forward surplus available from previous year	952.47	1124.55	1264.75	1516.99	1485.92
6	Total Internal Resources(4+5)	1156.43	1553.66	1507.49	1717.10	1495.77
7	External Capital resources: (Other than from Govt. of India)					
	a)Net accretion in Provident Fund balances if retained as part of cash balance of undertaking					
	(i) Gross assistance from domestic financial institutions for plan project	0.00	0.00	0.00	0.00	0.00
	(i) Gross assistance from domestic financial institutions for plan project(foreign)	0.00	0.00	0.00	0.00	0.00
	State Bank of Hyderabad					
	(ii) Foreign commercial borrowings/ suppliers' credit	0.00	0.00	0.00	0.00	0.00
	(iii)Bonds/ Debentures issued during the year	0.00	0.00	0.00	0.00	0.00
	(iv)Inter-corporate transfers (Loan Repay)	0.00	0.00	0.00	0.00	0.00

	(v) Receipts from other funds i.e. OADB/SDF/Other	0.00	0.00	0.00	0.00	0.00
	(vi) Issue of Equity to Public	0.00	0.00	0.00	0.00	0.00
	(vii) Others sources of EBR					
	a. Equity	0.00	0.00	0.00	0.00	0.00
	b. Govt Support	0.00	0.00	0.00	0.00	0.00
	c. Others Financial Institution/Banks	210.34	100.05	193.81	539.41	1841.63
	Sub Total	210.34	100.05	193.81	539.41	1841.63
8	Total internal and extra resources available for financing plan expenditure (6+7)	1366.77	1653.71	1701.30	2256.51	3337.40
9	Plan Outlay (according to printed budget documents)	242.22	136.72	364.44	770.59	2630.90
10	i) Budgetary Support from Government for Plan Schemes (9-8) or Nil if 8 is greater than 9	0.00	0.00	0.00	0.00	0.00
	ii) External Assistance through Budget	0.00	0.00	0.00	0.00	0.00
	iii) External Assistance direct	0.00	0.00	0.00	0.00	0.00
	iv) Non Budgetary Support (i)-(ii)	0.00	0.00	0.00	0.00	0.00
11	Carry forward surplus for next year	1124.55	1516.99	1336.86	1485.92	706.50

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD. NAMRUP.

The Brahmaputra valley Fertilizer Corporation Limited (BVFCL) was formed after demerger from Hindustan Fertilizer Corporation Limited (HFCL) on 05.04.2002. The mission of the company is to establish itself as a profit earning enterprise and to become a market leader in the Fertilizer manufacturing field.

BVFCL has two operating units at Namrup. Its Namrup-II unit is operated at 50% load only due to non-availability of Natural Gas beyond the contracted quantity of 1.72 MMSCMD with M/s Oil India Ltd. The process technology and engineering of the existing Namrup-II and Namrup-III plants is of 1960's and 70's, and therefore the plants are old and obsolete as compared to the latest technology based plants. Both these plants failed to attain the desired operational efficiency right from the beginning and deteriorated rapidly. These plants were required to be strengthened with systematic investment on renovation. Accordingly, the Namrup Revamp Project of BVFCL was sanctioned by the government in 1997. Namrup-II & Namrup-III were restarted in November 2005 and February 2002 respectively after completion of revamp. The final revamp project cost was Rs.635.53 crore. A Note was put up to Cabinet Committee on Economic Affairs (CCEA) for approval of the Revised Cost Estimate (RCE-II) of the Project at Rs.635.53 crore. CCEA in their meeting held on 26th February, 2009 considered the note and decided that adequate support may continue to be provided to the project till such time a comprehensive proposal is brought up before the Committee after requisite appraisals and consultations.

During the year 2014-15, BVFCL produced 261273 MT and 97730 MT of Urea from its Namrup-III and Namrup-II plants respectively. The company also produced 19.93 MT of Bio-fertilizers. Due to approval of Financial Restructuring Proposal by the Cabinet the Company registered a profit of Rs.647.44 Crores (PBT) during the year 2014-15 in overall sales turnover of Rs.597.51 crores which includes a sale of Rs.22.97 crores worth traded goods. During the year 2015-16, the Company is expected to produce 3.36 Lakh MT of urea with Profit of Rs.4.58 crores (PBT) for the whole year.

Long term viability

(i) Comprehensive Proposal for Long Term Viability of BVFCL:

In pursuance of the above, DoF, vide its note dated 12.02.2015 put up a 'proposal for financial restructuring' of the Company along with other dispensations from the Govt. of India and sought the approval of the Cabinet for Financial Restructuring of BVFCL and Setting-up of a Brown Field Ammonia Urea Project of 8,646 LMTA Urea production capacity at the existing premises of BVFCL, Namrup. The Union Cabinet in its meeting dated 21.05.2015 has duly approved the proposal initiated by DoF.

ii) Setting up of new Brown field Ammonia-Urea Plant:

The cabinet has approved a new Brownfield Ammonia-Urea Plant to be set up at the existing factory site of BVFCL at Namrup. The project would be done under JV with public-private partnership where 48% equity would be held by M/s Oil @ 26%, M/s BVFCL @ 11% and Assam govt. @ 11% respectively on nomination basis, whereas remaining 52% equity would be allotted through open bidding from a private/public entity. RFQ for selection of 52% equity has been floated on 28.01.2016.

The financial resource position and performance indices of the company have been given in statement – III & statement-IV respectively.

STATEMENT-II

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD., NAMRUP

PRODUCTION (MT)

Name of Plant / Project	Annual installed capacity	2012-13		% capacity Utilisation	2013-14		% capacity Utilisation	2014-15		% capacity Utilisation	2015-16 (RE)					% capacity Utilisation	2016-17 Estimated	% capacity Utilisation	Reasons for variation w.r.t. targets
		Target (RE)	Actual		Target (RE)	Actual		Target (RE)	Actual upto Dec'15		Anticipated Jan'16 Mar.16	Total							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
NAMRUP II	240000	119984	109428	45.60%	82688	70684	29.45%	107004	97730	40.72%	92094	46771	45323	92094	38.37%	120000	50.00%	*	
NAMRUP III	270000	270219	281265	104.17%	244641	235387	87.18%	252974	261273	96.77%	244015	181537	62478	244015	90.38%	270000	100.00%		
Total	510000	390203	390693	76.61%	327329	306071	60.01%	359978	359003	70.39%	336109	228308	107801	336109	65.90%	390000	76.47%		

* It is expected that revised target of 2015-16 will be achieved and hence reasons for variation will be nil

STATEMENT-III

NAME OF UNDERTAKING :- BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD., NAMRUP

STATEMENT OF INTERNAL & EXTRA BUDGETRY RESOURCES

ELEVENTH PLAN & TWELVE PLAN PERIOD FROM 2007-08 TO 2016-17

(Rs. Crore)

SL. NO	DESCRIPTION	XI th Plan TOTAL	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 RE	2016-17 BE
1	2	3	4	5	6	7	8
1	Receipts:						
	(i) Gross Sale/Operating Income	1439.24	568.29	457.96	597.51	620.52	730.26
	(ii) Other Income	74.10	29.07	26.41	14.36	32.00	20.00
	(iii) Total (1)	1513.34	597.36	484.38	611.88	652.52	750.26
2	Operating Cost:						
	(i) Salaries & Wages	223.09	64.22	59.55	59.50	56.02	57.70
	(ii) Bonus	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Maintanance Cost.	54.87	7.61	12.62	9.80	11.32	11.89
	(iv) Other Costs	1185.78	429.29	434.00	537.90	551.33	629.74
	(v) Total (2)	1463.74	501.12	506.17	607.20	618.67	699.33
3	Depreciation and Write-offs:						
	(i) Depreciation	203.32	44.33	45.48	34.94	33.19	31.53
	(ii) DEE / Write off	21.42	0.00	0.00	0.00	0.00	0.00
	(iii) Total (3)	224.74	44.33	45.48	34.94	33.19	31.53
4	Acreation (+) or Decreation (-) of	5.05	-6.24	0.11	5.82	-3.92	0.00
	Stocks of Finished products:						
5	Gross Profit / Loss (Before Int/Dep)	41.99	102.48	-21.90	-1.14	37.77	50.93
6	Interest Payable to:						
	(i) Central Government.	335.88	90.79	90.91	91.10	0.00	0.00
	(ii) Others	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Total (6).	335.88	90.79	90.91	91.10	0.00	0.00
7A	Extra ordinary Item (Waivel of Interest on GOI loan)	0.00	0.00	0.00	-774.62	0.00	0.00
7B	Deferred tax	0.00	0.00	0.00	1.32	0.00	0.00
8	Dividend Payment To Central Govt.		-	-	-	-	-
9	Investment in Securities if Obligatory	-	-	-	-	-	-
	Due to Statutory or other Requirements						
10	Retained Profits/Surplus Cairred over to	-518.63	-32.64	-158.29	646.12	4.58	19.40
	Part II (Item No.1 minus item no. 2 to 9)						

Waiver of interest of Rs 774.62 crore on Gol loan under restructuring plan as approved.

Cont'd/-

NAME OF UNDERTAKING :- BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD.

GENERATED OF INTERNAL & EXTRA BUDGETRY SUPPORT FOR PLAN SCHEMES.

(Rs. in
crores)

SL NO	DESCRIPTION	XI th Plan TOTAL	2012-13	2013-14	2014-15	2015-16	2016-17
			Actual	Actual	Actual	(RE)	(BE)
11	Retained Surplus From Part I.	-518.63	-32.64	-158.29	646.12	4.58	19.40
12	Add: Depreciation and write offs	203.32	44.33	45.48	34.94	33.19	31.53
	Interest due but not paid to Gol		90.79	90.91	91.10	0.00	0.00
13	Deduct:						
	(i) Total loan repayment of which		-	-	-	-	-
	(To Govt. of India)						
	(ii) Net Increase in the Margin For		-	-	-	-	-
	working Capital requirement						
	(iii) Non-Plan Capital Requirement		-	-	-	-	-
	(Break-up of major items like,						
	Replacement, repair and						
	maintainance be indicated)						
	(iv) Others, if any (please specify)		-	-	-	-	-
	(v) Total (3)		-	-	-	-	-
14	Adjusted Internal Resources						
	Available for Plan Schemes						
	(1+2+3)	-315.31	102.48	-21.90	772.15	37.77	50.93
15	Carry Forward Surplus available		-	-	-	-	-
	from previous year						
16	Total Internal Resources (14+15).	-315.31	102.48	-21.90	772.15	37.77	50.93
17	Extra Budgetry Resources .						
	(Other than From Govt. of India)						
	(i) Gross Assistance From						
	Domestic		-	-	-	-	-
	Financial Institution For Plan						
	Project.						
	(ii) Foreign Commercial						
	Borrowing /		-	-	-	-	-
	Surplus Credit						
	(iii) Bonds/Debentures issued						
	during		-	-	-	-	-
	the year.						
	(iv) Inter Corporate Transfer		-	-	-	-	-
	(v) Receipt From Other Funds i.e.		-	-	-	-	-
	a) OIDB		-	-	-	-	-
	b) SDF		-	-	-	-	-
	c) Others		-	-	-	-	-
	(vi) Issue of Equity to Public.		-	-	-	-	-
	(vii) Other sources of EBR.		-	-	-	-	-

At Sl no 12, interest waiver on Gol Loans has been considered as an item of addition which was notified as NIL in the F.Y. 2012-13 & 2013-14.

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD.

GENERATED OF INTERNAL & EXTRA BUDGETRY SUPPORT FOR PLAN SCHEMES.

(₹ Crores)

SL NO	DESCRIPTION	XI th Plan Total	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 (RE)	2016-17 (BE)
18	Total Internal and External Resources Available For financing {lan Expenditure on Projects renewal & replacement etc.	-315.31	102.48	-21.90	772.15	37.77	50.93
19	Plan Outlay (Major Renewals & Replacements)	226.21	0.00	0.00	0.00	10.00	25.00
20	Setting up Brown Field Ammonia-Urea Complex		-	-	-	-	-
	Total	226.21	0.00	0.00	0.00	10.00	25.00
21	(i) Budgetry Support from Govt. of Plan Schemes (9 Minus 8) or Nil if 8 is greater than 9.	226.21	0.00	0.00	0.00	10.00	25.00
	(ii) External Assistance Through budget						
	(iii) External Assistance Direct.						
	(iv) Net Budgetry Support (i) -(ii)	226.21	0.00	0.00	0.00	10.00	25.00

STATEMENT-IV

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LTD.
PERFORMANCE INDICES

SI No.	Particulars	2012-13	2013-14	2014-15	2015-16 (RE)
1	Cost of Production / operation (Rs.in Lakh)	56520	56132	67702	59845
2	Cost of Sales (Rs. in Lakh)	58087	58756	71574	61607
3	Value of Production / output / service (Rs in Lakh)	57542	45776	59139	62431
4	Debt Equity Ratio	3.17: 1	3.42: 1	1.57: 1	1.57: 1
5	Current Ratio	2.00:1	1.87:1	1.78: 1	1.45: 1
6	Percentage of value added to capital employed	36.72%	24.51%	29.84%	39.20%
7	Percentage of net sales / operating income to capital employed	85.17%	78.45%	99.45%	122.82%
8	Finished goods inventory (As no. of days of Sales)	0.93	5.12	2.84	4.66
9	Raw materials inventory (As no. of days of raw material consumption)	Nil	Nil	Nil	Nil
10	Sundry Debtors (expressed as No. of days of net sales)	125.95	135.06	79.44	100.74
11	Profitability (percentage of G.P. to capital employed)	15.36%	Negative	Negative	7.48%
12	Percentage of net profit to paid up capital	Negative	.-do-	176.62%	1.25%
13	Percentage of net profit to net worth	.-do-	.-do-	1001.58%	6.63%
14	Labour content as percentage of cost of production	9.69%	8.72%	7.12%	7.72%
15	Raw materials as percentage of cost of production	58.46%	56.06%	57.02%	64.51%
16	No. of employees	991	944	831	747
17	Percentage of maintenance to capital cost	1.14%	2.16%	1.63%	2.24%

Madras Fertilizers Limited

Madras Fertilizers Limited (MFL), a Public Sector Undertaking under the administrative control of the Department of Fertilizers (DOF), is engaged in the manufacture of Ammonia, Urea and Complex Fertilizers (NPK) at Manali, Chennai.

The Company was incorporated in 1966 as a joint venture between the Govt. of India (GOI) and Amoco India Incorporated (AMOCO) of USA with equity contributions of 51% and 49%. During the period 1972 to 1985, the shareholding of AMOCO was partly acquired by the National Iranian Oil Company (NIOC). The total paid up capital of the Company is Rs. 161.10 cr.

The present shareholding of MFL is as follows:

	Rs. Cr	%
Govt of India	95.85	59.50
Naftiran Intertrade Company Ltd. (Affiliate of National Iranian Oil Company)	41.52	25.77
Public	23.73	14.73
Total	161.10	100.00

The shares of the Company are listed in National Stock Exchange of India Ltd.

Business Profile of the Company

MFL Plants are located at Manali, about 20 kms. North of Chennai City.

The original Plants with capacity to produce 750 TPD Ammonia, 885 TPD Urea, and 1850 TPD Complex Fertilizers were revamped and expanded between 1993 and 1998. The project originally conceived at a cost of Rs. 485 Cr. for completion in 3 years, was finally completed at a cost of about Rs. 700 Cr. with a time over-run of over 2 years. The revamp comprised:

- Increase in capacity of the Ammonia Plant by 40% from 750 TPD to 1050 TPD with reduction in energy consumption by 40% from 14.50 Gcal/MT to 9.46 Gcal/MT.
- Increase in capacity of Urea Plant by 67% from 885 TPD to 1475 TPD with reduction in energy consumption by 36% from 9.90 Gcal/MT to 7.01 Gcal/MT.
- Improvement of the on stream efficiency of NPK Plants and increase in capacity to 2550 TPD

MFL had gone for a maiden Public Issue during 1997 consequent to revamp cum modernization of the existing Urea and Ammonia Plants. MFL has set up 3 Bio-fertilizer Plants at Chennai, Bangalore and Vijayawada with annual capacities of 100, 150 and 150 MT respectively. The Chennai Unit was started in 1991 and the other two units during 1996-97.

Even though the Company was declared sick by BIFR in its hearing held on 02.04.2009, the Company's operations for the year 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10, ended with a profit of Rs. 100.04, Rs. 24.44, Rs. 111.99 Cr, Rs. 169.86 Cr & Rs. 6.88 Cr respectively against continuous losses incurred during 2008-09. The profits were mainly due to implementation of NPS-III

amendment restricting the reduction in fixed cost to 10% from 01.04.2009 and improved production performance.

The Department of Fertilizers vide its letter dated 02.04.2014 mandated all the Naphtha based Urea producing fertilizer plants to switch over to gas and that they would not be eligible to receive any subsidy after 30.06.2014. This deadline was extended from 01.07.2014 to 30.09.2014. Subsequently it has allowed production of urea with Naphtha feedstock for 100 days from 07.01.2015 to 16.04.2015 with payment of subsidy based on Naphtha or gas price of recently converted units, whichever is lower.

GOI now allowed production of urea with Naphtha feedstock from 17.06.2015 with payment of subsidy based on Naphtha or gas price of recently converted units, whichever is lower, till conversion to Gas feedstock with revised energy efficiency.

During the year 2014-15, the Company ended up with a loss of Rs. 134.69 Cr and the total accumulated losses as on Mar 31, 2015 was Rs. 517.14 Cr due to GOI notification for not permitting to run Naphtha based Ammonia/Urea Plants from 1st October 2014 to 16th January 2015. During the current year (2015-16), the projected loss is Rs.176.16 Cr due to non-operation of plant during 17/04/2015 to 16/06/2015 owing to GOI policy and unprecedented flood due to torrential rain during December 2015.

The total manpower strength of MFL as on 31.12.2015 was 733 as against the Board approved strength of 1032. However, the Company is taking adequate steps to supplement the retiring technical manpower and impart training to the new recruits to maintain the technical competence to run the Plants.

SUMMARY
OUTCOME BUDGET 2016-17

SI No	Schemes	Rs Cr
1	Installation of dedicated RO System for Cooling Water Blow Down Plant	1.000
2	Boiler-I Bank Zone Refractory Repair and Super-heater Coil Replacement	1.000
3	Cooling Tower Cells' (A-H) Vapour Guider Repair	1.000
4	Auto Start Provision for Steam Turbines	1.000
5	Suction Chiller for Syn.Gas Compress (K-1601)	1.000
6	Refurbishment of Start-up Heater (D-1701)	1.000
7	Construction of new Sub-station for Urea Plant	1.000
8	Installation of Boiler Feed Water Pump / Turbine	3.000
9	PSA De-oxo Vessel Catalyst Renewal	0.500
10	K-1602 Turbine Rotor overhauling and necessary spares for the same (1 st time overhauling)	3.000
11	K-1901 LP, HP Rotor repair	1.000
12	K-111 2 nd Stage Cylinder procurement	3.500
13	Procurement of critical control valves & instruments for Ammonia, Urea & Utility Plants	2.000
	Total	20.000

Statement-II

**PLAN SCHEMES FOR 2015-16
BUDGET ESTIMATES Vs. REVISED ESTIMATES**

(I Cr)

SI No	Scheme	BUDGET ESTIMATES	REVISED ESTIMATES
1	Replacement of Cooling Water Pump (Triveni) & Turbine	4.00	4.00
2	Replacement of Boiler-1 & 2 ID Fan Turbine	4.00	4.00
3	Procurement & Installation of 3.3 KV Load Centres	3.50	3.50
4	Procurement and Installation of 15 TPH Medium Pressure Package Boiler for NPK Plants	3.00	0.00
5	Replacement of CPCL - MFL pipe rack along with pipelines	3.00	3.00
6	Replacement of 110 KV MOCB and Retrofitting of 11 KV Feeder Breakers	1.00	1.00
7	Replacement of DM Water Storage Tank - 2 Nos.	1.00	1.00
8	Renewal of FO Tank-B & Sulphuric Acid Tank	1.00	1.00
9	Procurement of UF Membranes for CWBDT Plant	1.25	1.25
10	Upgradation of DM Plant Vessels	1.00	1.00
11	Installation of Fired Natural Gas Heater (D-1153), Additional Natural Gas Pre-Heat Coil (D-1206) and Natural Gas Pre-Heat Exchanger (E-1214)	10.00	10.00
12	Replacement of Primary Reformer (D-1201) Burner for Natural Gas firing	6.00	5.00
13	Catalyst for H-1151, H-1152 & H-1153	0.00	4.00
14	Upgradation of K-1601 I, II & III stage Inter Coolers with Duplex SS tubes	6.00	6.00
15	Procurement and Installation of Refrigeration Compressor Package with Cooling Tower for Ammonia Storage Tank	3.50	3.50
16	Syn-Gas Compressor (K-1601) Turbine Rotor Repair	4.00	4.00
17	Process Air Compressor (K-1602) LP Rotor Repair	2.00	2.00
18	K-1901 Turbine Rotor Repair	2.00	2.00
19	Procurement of seals for Refrigeration Compressor [K-1901]	2.00	2.00
20	Upgradation of E-1901 Exchanger	3.00	3.00
21	J-1401 Pump rotor Assembly Procurement	0.00	1.50
22	Replacement of Start-up Blower (K-1203) with casing	0.00	1.00

23	Co2 Compressor (K-1603) Turbine Rotor Repair	0.00	3.00
24	Replacement of Inlet valve for Fired Start up Heater (D-1701)	1.00	1.00
25	Spares procurement for MPCO2 Compressor (K-1604)	1.00	3.00
26	Replacement of Ammonia Plant vent stack	0.50	0.50
27	Procurement & Replacement of Liner for Urea Reactor-B	15.00	15.00
28	Procurement & Installation of MCC for Urea Plant	1.00	1.50
29	Replacement of Potash Storage and Raw Material Handling System for NPK-AB & C Train.	6.00	10.00
30	Replacement of 10,000 MT Phos-Acid Storage Tank at MFL and Renovation of Phos-Acid Tank at Chennai Port Trust	6.00	6.00
31	Replacement of Dryer for NPK - A Train	6.00	0.00
32	Refurbishment of NPK Plants Structures	5.00	4.00
33	Renewal of NPK Plants Civil Structures	3.00	3.00
34	Procurement & Installation of Transformers, Load Centre & MCCs for NPK-AB Trains	3.00	3.00
35	Replacement of Product Cooler for NPK-A Train	4.00	4.00
36	Procurement of Pay Loaders - 2 Nos.	1.00	1.00
37	Upgradation of Improved Bagging Machine (IBM)	1.00	1.00
38	Modernization of TTP	10.00	5.00
39	Procurement of Membranes for RO Plant ('B' Stream)	1.00	1.00
40	Procurement and installation of Effluent Flow Monitoring System, Surveillance Camera for Flare Monitoring, Stack Monitoring System for Utility & NPK Plant Stacks	1.40	1.40
41	Procurement of Inspection Equipment	0.85	0.85
42	Procurement of Fire Truck - 1 No.	1.00	1.00
43	CAAQMS Upgradation, Replacement of Spare Parts for Auto Analyzer & Procurement of Fire Trucks	0.60	0.60
44	Extension of Fire Station Building for Storage of Fire Fighting Accessories and Parking of Fire Trucks	0.40	0.40
	TOTAL	130.00	130.00

Note : No Plan Scheme Funds received for 2012-13, 2013-14, 2014-15 & 2015-16. Apart from this, New schemes are envisaged for 2016-17 Outcome Budget.

STATEMENT - III

ESTIMATES OF INTERNAL & EXTRA BUDGETARY RESOURCES

PART - I - RETAINED PROFITS/SURPLUS

SL. NO.	Description	2012-13	2013-14	2014-15	2015-16		2016-17	Reasons for variation w.r.t targets
		(Actuals)	(Actuals)	(Actuals)	BE	RE	BE	
1	RECEIPTS							
	a) Gross Sales/Operating Income	2346.29	2593.47	1701.87	2160.11	1404.41	1478.45	
	b) Other Income	8.82	12.50	17.55	5.50	11.54	5.50	
	Total (1)	2355.11	2605.97	1719.42	2165.61	1415.95	1483.95	
2	OPERATING COST							
	a) Salaries & Wages	73.89	87.93	92.98	66.93	88.66	93.04	
	b) Other Costs	2179.35	2227.55	1652.80	1950.14	1382.23	1285.03	
	Total (2)	2253.24	2315.48	1745.78	2017.07	1470.89	1378.07	
3	DEPRECIATION AND WRITE-OFFS							
	a) Depreciation	41.73	42.41	17.61	41.74	20.86	21.36	
	b) DRE/Write-off							
	Total (3)	41.73	42.41	17.61	41.74	20.86	21.36	
4	Interest Payments to:							
	a) Central Governments	55.88	54.58	54.58	54.67	54.58	54.58	
	b) Others	17.73	28.21	29.39	25.80	27.19	25.63	
	Total (4)	73.61	82.79	83.97	80.47	81.77	80.21	
5	Bonus to Employees	-	-	-	-	-	-	
6	Accretion (-) or Decretion (+) stocks of Finished Products/Contract work in progress	-37.91	59.49	6.75	-0.92	18.59	-1.46	
7	Provision for Income Tax	0.00	5.76	0.00	0.00	0.00	0.00	
8	Dividend payments to Central Govt.	-	-	-	-	-	-	
9	Investments in securities if obligatory due to statutory or other requirements	-	-	-	-	-	-	
	Total (2) to (9)	2330.67	2505.93	1854.11	2138.36	1592.11	1478.18	
10	Retained Profits/Surplus carried over to Part-II (Item No.1 minus Item No. 2 to 9)	24.44	100.04	-134.69	27.25	-176.16	5.77	

Cont'd...

PART-II GENERATED INTERNAL & EXTRA BUDGETARY RESOURCES FOR PLAN SCHEME

SL. NO.	Description	2012-13	2013-14	2014-15	(Rs Cr)		2016-17	Reasons for variation w.r.t targets
					2015-16			
		(Actuals)	(Actuals)	(Actuals)	BE	RE	BE	
1	Retained Surplus from Part-I	24.44	100.04	-134.69	27.25	176.16	5.77	
2	Add: Depreciation & Write off	41.73	42.41	17.61	41.74	20.86	21.36	
		66.17	142.45	-117.08	68.99	155.30	27.13	
3	Deduct							
	a. Total loan repayment of which							
	a. to Govt of India	0.00	0.00	0.00	0.00	0.00	0.00	
	b. Others					-		
	b. Net increase in the margin for working capital requirement	66.17	326.40	8.83	68.49	168.23	5.24	
	c. Non-plan capital requirement (Break up of major items like replacements, repair and maintenance held be indicated)	0.00	7.12	-2.13	0.50	1.26	1.77	
	d. Others, if any (Please specify)							
	a. Bank Borrowings	0.00	-191.07	-123.78	0.00	11.67	20.12	
	b. Miscellaneous Expenditure	-	-	-	-	-	-	
	c. Public Deposit	0.00	0.00	0.00	0.00	0.00	0.00	
	d. Investments in New Projects	-	-	-	-	-	-	
	Total(3)	66.17	142.45	-117.08	68.99	155.30	27.13	
4	Adjusted internal resources available for Plan Schemes (1+2+3)	0.00	0.00	0.00	0.00	0.00	0.00	
5	Carry forward surplus available from prev. year	-	-	-	-	-	-	
	Total Internal Resources (4+5)	0.00	0.00	0.00	0.00	0.00	0.00	
6	Extra Budgetary Resources (Other than from Govt. of India)							
	a. Net accretion in provident fund balances if retained as part of cash balance of the undertaking	-	-	-	-	-	-	
	b. Gross assistance from financial institutions for Plan Project – Indian (specify source)							
	- CPCL	-	-	-	-	-	-	
	- Other FI's	-	-	-	-	-	-	
	c. Gross assistance from financial institutions for Plan Project – Foreign (specify source)							
	- Nisho Iwai	-	-	-	-	-	-	

Cont'd...

ESTIMATES OF INTERNAL & EXTRA BUDGETARY RESOURCES
PART-II GENERATED INTERNAL & EXTRA BUDGETARY RESOURCES FOR PLAN SCHEME

(Rs Cr)

SL. NO.	Description	2012-13	2013-14	2014-15	2015-16		2016-17	Reasons for variation w.r.t targets
		(Actuals)	(Actuals)	(Actuals)	BE	RE	BE	
	d. Foreign commercial borrowings/suppliers credit	-	-	-	-			
	e. Public Deposits	0.00	0.00	0.00	0.00	0.00	0.00	
	f. Issue of Equity to Public	-	-		-	-		
	g. Total	0.00	0.00	0.00	0.00	0.00	0.00	
7	Total internal and external resources available for financing Plan expenditure on projects, renewals and replacements, etc.	0.00	0.00	0.00	0.00	0.00	0.00	
8	Plan Outlay - Ongoing/new Schemes	0.00	0.00	0.00	130.00	30.00	20.00	
9	i.a) Budgetary support from Govt. for Plan Schemes ((8-7) or NIL if 7 is greater than 8)	Nil	0.00	Nil	130.00	30.00	20.00	
	b) Budgetary support from Govt for Non-Plan Assistance	Nil	0.00	Nil	Nil	Nil	Nil	
	ii) Net Budgetary support (i a + b)	0.00	0.00	0.00	130.00	30.00	20.00	
10	Carry forward of surplus for next year	-	-		-			

STATEMENT-IV

PERFORMANCE INDICES

SL.NO.	DETAILS	2013-14	2014-15
1	Cost of Production/Operation (Rs.in lacs)	235455	176611
2	Cost of Sales (Rs. in lacs)	249223	183246
3	Value of Production/Output/ Service (Rs. in lacs)	252459	170503
4	Debt Equity Ratio	3.44:1	3.44:1
5	Current Ratio	1.85	2.89
6	Percentage of value added to capital employed	79.08%	101.31%
7	Percentage of net sales/operating income to capital employed	392.70%	291.40%
8	Finished Goods inventory (expressed as No. of days of sales)	0	2
9	Raw Materials inventory (As No. of days of raw material consumption)	21	14
10	Sundry Debtors (expressed as No. of days of net sales)	0	3
11	Profitability (percentage of G.P. to capital employed)	34.12%	-5.68%
12	Percentage of net profit to paid up capital	62.10%	-83.61%
13	Percentage of net profit to net worth	NA	NA
14	Labour content as percentage of cost of production	3.73%	5.26%
15	Raw Materials as percentage of cost of production	58.83%	57.20%
16	No. of employees	734	693
17	Percentage of maintenance to capital cost	3.69%	3.69%

THE FERTILIZERS AND CHEMICALS TRAVANCORE LIMITED (FACT)

1. The Fertilisers and Chemicals Travancore Limited (FACT) was incorporated in 1943. Government of India became a Major Shareholder in the Company in 1963. Besides, manufacture of Fertilisers and Caprolactam, the Company is also engaged in the manufacture of allied chemicals like Oleum, Sulphur Dioxide etc. FACT has at present three production unit namely, Udyogamandal Division, Cochin Division and Petro Chemical Division. It has also a Design Organization known as FACT Engineering and Design Organization (FEDO) and an Engineering workshop known as FACT Engineering Works (FEW). It has also a Research and Development Centre. It has a Marketing Division, which caters to the sale of Fertilisers, mostly in the southern states of India. As on 31st Dec 2015 the Authorized Share capital is Rs. 1000 Crore and Paid up capital of Rs. 647.07 Crore. Out of which Government of India equity is 90%

2. The Plan Fund Proposals for 2016-17 are given in Statement No.1.

3. **Operating Performance:**

The details of Target and Actual Production during 2014-15 and 2015-16 and Target for 2016-17 and the capacity utilization during these years are given in Statement No. 2.

During the year 2015-16 (upto Dec'15) the Company produced 1.04 Lac Tones of Nitrogen and 0.87 Lac tones of P_2O_5 as against the target of 1.30 Lac tones of Nitrogen and 1.01 Lac tones of P_2O_5 respectively. The Production of Caprolactam during the year was nil against similar target.

4. **Financial Results:**

During 2014-15 the company registered a Net Loss of Rs. (-) 399.91 Crore. The Estimated profit for the year 2015-16 is Rs. 103.01 Crore and the estimated loss for 2016-17 is Rs. (-) 66.66 Crore. The Plan loan of rs 1000 Cr from GOI is considered in the last quarter of 2015-16.

5. **FACT Engineering Works (FEW):**

During the year 2015-16 the turnover (upto Dec'15) of the unit was Rs. 0.47 Crore as against Rs. 6.78 Crore during 2014-15.

6. **FACT Engineering and Design Organization (FEDO):**

Turnover of FEDO during 2015-16 (upto Dec'15) was Rs. 30.58 Crore as against Rs. 7.75 Crore during 2014-15.

7. The specific areas on which research and development activities carried out are development of Coir Pith based formulation for agri \ horti end use, Optimization of raw material consumption, Colouring of zincated Facatamfos, Bio fertilizer production, Micro nutrient fortified complex fertilizer.

The Performance of the Company for the year 2015-16 upto the Month of Dec 2015 is given below:

1. Production Performance upto Dec 2015: (MT)

Product	Budget (MOU)	Actual
1. Ammonium Sulphate	142000	79567
2. Factamphos (NP 20:20)*	506000	436725
3. Caprolactam	0	0

*Including zincated Factamphos

There was no production of Caprolactam due to unremunerative realisation.

2. Sales Performance upto Dec 2015: (MT)

Product	Budget (MOU)	Actual
1. Ammonium Sulphate	142000	96753
2. Factamphos (NP 20:20)*	506000	481066
3. Caprolactam	0	0

*Including zincated Factamphos

3. Financial Performance upto DEC 2015:

During the period of April to December 2015, the Company incurred a loss of Rs. 298.24 Crore (Provisional). During the first quarter of the current financial year 2015-16 company recorded loss of Rs 117.96 crores on account of low production since annual turnaround was being carried out in production units. The production performance could be improved during the remaining months of the current year. In the second quarter, the Company registered a loss of Rs. 60.88 crore. During the last quarter the company has a loss of Rs. 119.40 Cr taking the cumulative loss to 298.24 Cr. Huge outflow on account of interest for working capital loans caused a major drain on the working capital. Owing to higher raw material prices and unremunerated realization production of caprolactam was stopped since 11.10.2012.

STATEMENT-I											
PROJECTS/SCHEMES UNDER IMPLEMENTATION / PROPOSED FOR IMPLEMENTATION AND PROVIDED FOR IN THE BUDGET											
Details		Outlay 2011-12				Outlay 2012-13	Outlay 2013-14	Outlay 2014-15	Outlay 2015-16 BE	Outlay 2016-17 BE	Information as in Statement I A
		BE	REVISED Outlay	Expenditure up to 2015-16(31.10.2015) (actuals)							
A.Continuing Schemes:											
1	Statutory provision for Safety Corridor	0.10	0.10	0.10	0.07						
2	Repair of SO2 duct of Udyogamandal Complex	0.20	0.20	0.00							
3	Automation of Mixing operations of CD	4.00	4.00	0.00							
4	Repairing of Railway Tracks	0.30	0.30	0.00							
5	Provision to receive bulk sulphuric acid shipments at Port	9.40	9.40	0.00							
6	Restoring of up-heaved plant roads and civil structures	0.85	0.85	0.00							
7	Replacement of Pipe Bridge from PAP to PCP	0.15	0.15	0.00							
8	Renovation of Kalamessery railway siding			0.00							
9	Sulphur Barge Unloader in UC										
10	New DCS for Fertiliser Plants at UC								2.60		
B. schemes under R & M											
1	Renewal and replacement of various low value mechanical items	3.24	3.24	1.00	0.75						
2	Renewal and replacement of various Electrical and Instrumentation items	1.00	1.00	1.50	1.34						
3	Security system improvement schemes:	0.60	0.60	0.62	0.62						
4	Renewal and replacement of various mechanical, electrical Instrumentation and Pollution control items UD.	0.90	0.90	0.00							

5	Upgradation of infrastructure in IT services and other capital items	1.00	1.00	2.07	1.63					
6	Renovation of damaged civil structures	1.43	1.43	1.43	1.19					
7	Renewal and replacement of various mechanical, electrical Instrumentation items at CD			1.70	1.69					
8	Renovation and modernisation of UD complex								11.90	
9	Renovation and modernisation of CD complex								12.49	
10	Renovation and modernisation of Few								1.00	
11	Renovation and modernisation of WI								6.00	
12	Renovation and modernisation of Computer service centre								1.00	
13	K1boiler			12.00	5.86					
14	Others items in CD			2.50	2.47					
	Projects									
1	Urea Plant at Udyogamandal	1.00	1.00	0.00						
2	New 1000 TPD NP Plant including revamping of raw material handling at Port	5.00	5.00	5.00	2.87					
3	Feedstock conversion of Ammonia Plant to LNG	3.23	3.23	3.23	3.04					
4	Project for use of LNG as fuel in Ammonia Plant	13.34	13.34	6.15	1.72					
5	Replacement of burners in the boilers in Udyogamandal complex for LNG conversion	15.00	15.00	4.00	3.90					
8	Automation of bagging and wagon loading system at CD			1.94	0.43					
9	Transportation of ammonia by own barge			12.00	4.86					
10	DCS for sulphuric acid and pollution control			2.50	2.10					
11	New barge unloader for sulphur			3.00	0.72					
	TOTAL	60.74	60.74	60.74	35.26				34.99	

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED							Annexure to Statement 1 A	
Statement of Outlays & Outcomes / Targets (2016-17)								
Sl. No	Name of Scheme / programme	Objective / outcome	Annual Plan 2016-17 (Rs Cr)	Quantifiable / deliverable	Projected Outcome	Process / Timeline	Remarks	
1	Continuing Scheme							
1.1	New DCS for Fertiliser Plants at Udyogamandal complex	Upgradation of control system in production units	4.60	This will help the company to improve reliability and efficiency	Technological up gradation through this scheme will help reduce downtime, increase reliability and improve efficiency norms	Mar-17		
2	RENOVATION AND MODERNIZATION SCHEMES						Schemes are in the planning stage and could not be progressed due to financial constraints. Actual implementation depends on the approval & release of funds.	
2.1	Renewals & replacements of various mechanical, electrical and instrumentation items in Cochin Division	For the upkeep and health of plants at Cochin division	15.62	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Cochin division	Various dates		
2.2	Renewals & replacements of various mechanical, electrical and instrumentation items in Udyogamandal Complex	For the upkeep and health of plants at Udyogamandal Division	17.40	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Udyogamandal Division	Various dates		
2.3	Renovation of Civil structures at Cochin Division & Udyogamandal	For the upkeep and health of plants of plants	3.40	For Safety of Wagons and upkeep of old buildings	Safe transportation of wagons through railway siding and prevention of further deterioration of old buildings	Mar-17		
2.4	Renovation of various items at Port handling facilities at Cochin Port	For the upkeep and health of raw material handling facilities at cochin port	1.20	Reliable operation and assessment of material movement	Reliable operation and assessment of material movement	Apr-17		
2.5	Renewals & replacements in Cochin Division Sulphuric Acid plant	For the upkeep and health of critical equipments in Sulphuric Acid plant	7.75	Renewals and replacements for sustainable operation of Plants	For the upkeep and health of plants at Cochin division	various dates		
2.6	Statutory items for pollution control, energy management system and barge unloader for Udyogamandal plants	To meet pollution control board norms and improve the performance	7.50	Intended to improve energy efficiency and also ensure reliability of equipments	Improved energy efficiency and better reliability of plant	various dates		
2.7	Improving infrastructure facilities & machinery for FEW	To improve the performance of Engineering Fabrication wing	1.53	Intended to improve infrastructure and equipments	Improved capability to bid for various jobs	Mar-17		
2.8	Upgradation of infrastructure in IT services	To improve the IT system within the organisation	1.00	This will help company in Planning & Optimisation of resources	Improved Information Technology infrastructure for better control and decision making	Mar-17		
			60.00					

STATEMENT - II									
PRODUCTION									
									('000 MT)
	Annual								
Name of plant/product	Installed	2013-14		Capacity	2014-15		Capacity	2015-16	Capacity
	Capacity	Target	Actual	Utilisation	Target	Actual	Utilisation	Estimated	Utilisation
	M T	M T	M T	%	M T	M T	%	M T	%
Udyogamandal Division									
Ammonium Sulphate	225.000	170.000	178.792	79.46	170.00	120.36	53.49	79.567	35.36
Factamfos 20:20	148.500	151.000	165.432	111.40	151.00	134.51	90.58	127.935	86.15
Cochin Division:									
Urea	330.000	0.000	0.000	0.00	0.00	0.00	0.00	0.000	0.00
Factamfos 20:20	485.000	529.000	498.355	102.75	529.00	479.49	98.86	404.790	83.46
Petrochemical Division									
Caprolactam	50.000	30.000	0.000	0.00	0.00	0.00	0.00	0.000	0.00
Note :-									
1. Urea production stopped from February 2003 due to uneconomic realisation									

ESTIMATES OF INTERNAL / EXTRA BUDGETARY RESOURCES														Statement III	
Part I Retained profits / Surplus															
SL. NO.	Description	2010-11	2011-12	2012-13	2013-14	2014-15	(Rs.in Crores)				Reasons for variation with targets 2015-16				
		(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(BE)	(RE)	(BE)	(BE)					
1	2	1	2	3	4	5	6	7	8						
1	Receipts														
	(i) Gross Sales/ Operating Income	2450.47	2876.05	2315.76	2209.38	1973.68	2323.71	1774.24	2237.42						
	(ii) Other Income	69.02	36.70	18.23	13.96	18.55	21.00	17.58	17.00						
	(iii) Total (1)	2519.49	2912.75	2333.99	2223.34	1992.23	2344.71	1791.82	2254.42						
2	Operating cost														
	(i) Salaries & Wages	268.05	225.24	237.14	257.50	262.78	246.00	246.52	242.00						
	(ii) Maintenance cost	45.12	31.27	33.47	32.37	32.51	38.00	34.19	38.00						
	(iii) Others	2073.03	2505.68	2105.99	1995.03	1880.94	1989.09	973.60	1749.05						
	Total (2)	2386.20	2762.19	2376.60	2284.89	2176.23	2273.09	1254.32	2029.05						

[illegible]

Part II (Generated Internal & Extra Budgetary Resources for Plan Scheme)													Statement III(Conto.		
											(Rs.in Crores)				Reasons for variation with respect to targets 2015-16
SL. NO.	Description	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (BE) (RE)		2016-17 (BE) (RE)						
1	2	6					7	8	9						
1	Retained Surplus from Part I	-49.32	19.80	-353.96	-264.96	-399.91	-17.29	103.01	-66.66						
2	Add Depreciation & Write-offs	42.63	42.59	45.54	45.26	20.21	22.00	20.10	20.91						
3	Deduct														
	a) Total loan repayment:														
	of which														
	To Govt. of India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
	Public Deposit	14.12	40.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
	Commercial credit	202.75	213.61	-270.04	0.00	0.00	0.00	0.00	0.00	0.00					
	b) Net increase in the Margin														
	for working capital requirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
	for financing increase in														
	inventories, work in progress etc														
	c) Non-Plan Capital requirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
	Total (3)	216.87	254.10	-270.04	0.00	0.00	0.00	0.00	0.00	0.00					
4	Adjusted Internal Resources														
	available for Plan schemes(1+2+3)	-223.56	-191.72	-38.38	-219.70	-379.70	4.71	123.11	-45.75						
5	Carried forward surplus available														
	from previous year	65.99	-157.57	-349.29	-387.67	-607.37	-987.07	-982.37	-859.26	-859.26					
	Total Internal Resources (4+5)	-157.57	-349.29	-387.67	-607.37	-987.07	-982.37	-859.26	-905.00	-905.00					

PERFORMANCE INDICES						
SL. NO.	Details	2011-12	2012-13	2013-14	2014-15	2015-16
1	Cost of Production / operation (Rs.in lakhs)	294154	257792	262581	237377	204148
2	Cost of sales (Rs. In lakhs)#	300206	265595	267385	241139	207181
	# Cost of Production+Sales Discount/Dealer Margin					
3	Value of production / output / service (Rs./lacs)	287605	231577	220938	197879	177424
4	(Excluding Services to Own Units)					
4	Debt Equity Ratio	0.61	0.64	0.76	0.85	2.53
5	Current Ratio	1.17	0.92	0.79	0.62	1.96
6	Percentage of value added to capital employed*	176.88%	1095.18%	-146.71%	-39.24%	293.69%
7	% of Net sales/Operating income to Capital employed	806.76%	8400.84%	-757.94%	-274.56%	282.23%
8	Finished goods inventory (expressed as No. of days of sales)	39	37	56	53	19
9	Raw material inventory(As No.of days of Raw material consumption)	50	54	27	18	17
10	Sundry Debtors (expressed as No. of days of net sales)	1	1	2	2	2
11	Profitability (% of GP to capital employed)*	43.92%	7.20%	25.09%	19.03%	108.30%
12	% of Net Profit to paid up capital	3.06%	-0.55%	-40.95%	-61.80%	30.20%
13	% of Net Profit to Net Worth *	12.26%	1.84%	57.92%	46.65%	-74.60%
14	Labour content(*) as % of cost of production	7.66%	9.20%	9.81%	11.07%	11.85%
15	Raw material as % of cost of production	64.05%	58.65%	60.64%	61.66%	65.92%
16	No. of employees	3156	3002	2813	2611	2395
17	% of maintenance to capital cost	2.28%	2.42%	2.22%	2.21%	2.59%

Note 1. Previous year figures have been regrouped \ rearranged to confirm to the current year figures.
2. Capital employed is negative for ,12-13,13-14and 14-15
3. Net worth is negative since 12-13

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED, JODHPUR

Background of the Company

Introduction

This Company, prior to its inception w.e.f. 01.04-2003, was functioning as 'Jodhpur Mining Organization (JMO)' of Fertilizer Corporation of India Limited (FCIL), being one of the Units of FCIL since 1961. The Fertilizer Corporation of India Limited was referred to the BIFR in the year 1992 as its Net-Worth became negative. However, Govt. decided in September 2002 to hive off J.M.O as a separate entity, as it was making profits since 1996-97. Accordingly, as Demerger proposal for hiving off of JMO was submitted to the BIFR.

Incorporation of FCI Aravali Gypsum & Minerals India Limited (FAGMIL)

The Company was incorporated on 14-02-2003 as a fully-owned Government of India Company with an authorized capital of Rs. 10 crore. The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 17-05-2004 approved the de-merger of JMO of the Fertilizer Corporation of India Limited (FCIL) into this company, **FCI Aravali Gypsum & Minerals India Limited (FAGMIL)**, w.e.f. 01-04-2003, the appointed date of de-merger. This separate company came into existence in the year 2003-04 with a paid-up capital of Rs. 7.33 crore.

Operations of the Company

The Company is engaged in the mining and marketing of mineral gypsum. Mineral Gypsum is used mainly as a sulphur nutrient to the soil, as a soil amendment to sodic soil and also as an input raw-material to cement manufacturing. The sixteen gypsum mines of FAGMIL are located in the Districts of Jaisalmer, Bikaner and Sriganganagar in the State of Rajasthan.

Major Achievements

- The Company is ISO 9001-2008, 14001-2004 and OHSAS 18001-2007 certified company.
- The Company Achieved "Excellent" MoU rating for its performance of the MoU from year 2006-07 to 2013-14 (Except FY. 2007-08 where it was rated as "Very Good") .For the year 2014-15 rating "Excellent" is expected.
- The Company has been performing extremely well since incorporation and has been making continuous profit since inception i.e. 2003-04. Seeing the past and consistence performance, the Government of India has given the status of "**Miniratna-II**" category to the company on 06.06.2011 vide letter no. 18018/2/2011-FCA.

Dividend

The Company has paid the dividend for the 11th consecutive year 2014-15 of Rs. 934.55 Lakh @ 127.50% on paid up capital to Govt. of India, with this 570.26% paid up Share Capital has been returned to Govt. of India within a period of 12 years of operations of the Company.

Manpower

The total strength up-to March 2015 of the Company was 58 (30 officers and 28 workers).

FCI ARAVALI GYPSUM & MINERALS INDIA LTD. JODHPUR

STATEMENT – I
PROJECT SCHEMES UNDER IMPLEMENTATION / PROPOSED FOR IMPLEMENTATION AND PROVIDED FOR IN THE BUDGET
 (Rs.in Crore)

S	Details	TOTAL COST			EXPENDITURE UP TO 2014-15 (ACTUALS)			OUTLAY 2015-16			PROPOSED OUTLAY 2016-17	START OF COMMERCIAL PRODUCTION		REASON FOR VARIATION IN RE 2015-16
No		ORIGINALS	LATEST	NOW ANTICIPATED		B.E.	R.E.	(Upto Dec.15 Actuals)		ORIGINAL	NOW ANTICIPATED			
I	2	3	4	5	6	7	8	9	10	11	12	13		
A	CONTINUING SCHEMES													
I	Computerization	0.60	0.60	0.60	0.74	0.15	0.15	0.02	0.20	NIL	NIL	Procurement is in progress		
II	Procurement of Misc. capital items i.e. Coolers, Furniture etc.	1.09	1.09	1.09	1.44	0.85	0.85	0.02	0.97	NIL	NIL	-do-		
III	Construction of Office Building – Purchase of Land regarding	6.59	6.59	6.59	7.08	3.00	3.00	0.36	2.00	NIL	NIL	Architect was appointed WIP		
	Sub-Total (A)	8.28	8.28	8.28	9.26	4.00	4.00	0.40	3.17	0	0			
B	NEW SCHEMES													
	Expansion & Diversification Project	111.95	111.95	111.95	5.64	2.00	2.17	0.11	108.23	0	0	Environment clearance is expected shortly, PMC is awarded. Delay is due to water source.		
	Sub-total (B)	111.95	111.95	111.95	5.64	2.00	2.17	0.11	108.23	0	0			
C	SCIENCE & TECHNOLOGY SCHEMES AND RENEWALS AND REPLACEMENTS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL			
	Grand Total	120.23	120.23	120.23	14.90	6.00	6.17	0.51	111.40	0	0			

FCI ARAVALI GYPSUM & MINERALS INDIA LTD.
JODHPUR

STATEMENT – II
PRODUCTION – GYPSUM
(000 M.T.)

Name of Mine	Annual Installed Reassessed Capacity	2014-15			2015-16			2016-17	Reasons for Variation W.R.T. Target Est. 2015-16
		Target	Actual	% Cap. Utilisation Target	Target	Anticipated	Capacity Utilization on Anticipated	April 15 to Dec.15 Actuals	
1	2	3	4	5	6	7	8	10	11
Mohangarh	N.A.	500	500	100	290	150	52	100	The mineral is categorized as minor mineral and off take from customers is effected due to their shift to imported gypsum
Kavas / Uttarlai	N.A.	0	0	100	30	0	0	0	
Bikaner	N.A.	105	105	100	105	105	100	0	
Suratgarh	N.A.	260	260	100	370	370	100	232	
Ramsinghpur	N.A.	135	135	100	135	135	100	108	
TOTAL		1000	1000	100	930	760	82	440	1000

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD, JODHPUR
ESTIMATES OF INTERNAL / EXTERNAL RESOURCES

STATEMENT – III

PART – I RETAINED PROFITS/SURPLUS

S.No.	DESCRIPTION	2014-15				2015-16		2016-17	REASONS FOR VARIATION W.R.T. TARGET 2015-16
		ACTUALS	B.E.	R.E.	Upto Dec.15	Actual	B.E.		
1	2	3	4	5	6		7	8	
1.	RECEIPTS								
a)	GROSS SALES/OPERATING INCOME								
i)	SALE OF FERTILIZERS								
ii)	SALE OF OTHER PRODUCTS (GYPSUM)	82.44	84.05	84.53		35.69	89.88		
	TOTAL SALES	82.44	84.05	84.53		35.69	89.88		
b)	OTHER INCOME	17.33	16.50	16.50		12.37	16.02		
	TOTAL (I)	99.77	100.55	101.03		48.06	105.90		
2	OPERATING COST								
a)	SALARIES & WAGES	6.29	11.31	7.50		6.18	8.26		
b)	MAINTENANCE COST	0.06	0.09	0.09		0.07	0.09		
c)	OTHER COSTS	40.55	43.10	47.10		19.15	50.22		
	TOTAL (2)	46.90	54.50	54.69		25.40	58.57		
3	DEPRECIATION & WRITE OFFS								
a)	DEPRECIATION ON ALL ASSETS	0.36	0.18	0.40		0.26	0.40		
b)	DRE WRITTEN OFF		0	0		0	0		
	TOTAL (3)	0.36	0.18	0.40		0.26	0.40		
4	INTEREST PAYMENT TO								
a)	CENTRAL GOVERNMENT	0	0	0		0	0		
b)	OTHERS	0.03	0	0.05		0	0.05		
	TOTAL (4)	0.03	0	0.05		0	0.05		

ESTIMATES OF INTERNAL / EXTERNAL RESOURCES

STATEMENT – III(Contd)

PART – I
RETAINED PROFITS/SURPLUS

S.No.	DESCRIPTION	2014-15 ACTUALS	2015-16		Upto Dec.15 Actuals	2016-17 BE	REASONS W.R.T. TARGET 2015-16 B.E.	FOR VARIATION (Rs.IN CRORE)
			B.E.	R.E.				
1	2	3	4	5	6	7		8
5	BONUS TO EMPLOYEES	0	0	0		0		
6	ACCRETION (-) OR DECRETION (+) STOCK OF FINISHED PRODUCTS/ CONTRACT WORK IN PROGRESS	(-12.33	0	0	0	0		
7	A) PROVISION FOR INCOME TAX AND TAX ON DIVIDEND	20.51	16.84	17.71	9.12	18.09		
	B) DEFERRED TAX	0.81	(-) 0.88	0.80	0	0.80		
	C) MAT CREDIT ENTITLEMENT	0	0	0	0	0		
	TOTAL (7)	21.32	15.96	18.59	9.12	18.89		
8	DIVIDEND PAYMENT TO							
I)	GOVERNMENT	9.35	6.23	9.00	6.72	9.20		
II)	OTHERS	0	0	0	0	0		
	TOTAL (8)	9.35	6.23	9.00	6.72	9.20		
9	INVESTMENTS IN SECURITIES IF OBLIGATORY DUE TO STATUTORY OR OTHER REQUIREMENTS	0	0	0	0	0		
10	TOTAL (2 TO 9)	75.63	76.87	82.65	41.50	87.11		
	RETAINED PROFIT / SURPLUS FORWARD TO PART – II (1-10)	24.14	23.68	18.38	6.56	18.79		

STATEMENT – III (CONTD)

PART – II
GENERATED INTERNAL AND EXTRA BUDGETARY SUPPORT FOR PLAN SCHEMES

(Rs.IN

CRORE)

S.No.	DESCRIPTION	2014-15	2015-16			2016-17	REASONS FOR VARIATION		W.R.T. 2015-16
		ACTUALS	B.E.	R.E.	Actual Upto Dec.15	BE	TARGET	B.E.	
1	2	3	4	5	6	7	8		
1.	RETAINED SURPLUS FROM PART - I	24.14	23.68	18.38	6.56	18.79			
2	ADD : a) DEPRECIATION & WRITE OFFS	0.36	0.18	0.40	0.26	0.40			
	b) DEFERRED TAX	0.81	(-) 0.88	0.80	0	0.80			
	TOTAL (1+2)	25.31	22.98	19.58	6.82	19.99			
3	DEDUCT								
a)	TOTAL LOAN REPAYMENT OF WHICH (TO GOVT. OF INDIA)	0	0	0	0	0			
b)	NET INCREASE IN WORKING CAPITAL REQUIREMENT (OTHER THAN CASH & BANK BALANCE) FOR FINANCING INCREASE IN INVENTORIES, WIP ETC.	0	0	0	0	0			
c)	NON-PLAN CAPITAL REQUIREMENTS OTHER (CAPITALIZATION OF STAND BY ASSEMBLIES, INSURANCE SPARES)	0	0	0	0	0			
d)	AMOUNT WITHDRAWN FROM RESERVES	0	0	0	0	0			
4	ADJUSTED INTERNAL RESOURCES AVAILABLE FOR PLAN SCHEMES (1+2+3)	25.31	22.98	19.58	6.82	19.99			
5	CARRY FORWARD SUR PLUS AVAILABLE FROM PREVIOUS YEAR	143.31	131.52	168.62	168.62	188.20			
6	TOTAL INTERNAL RESOURCES	168.62	154.50	188.20	175.44	208.19			

STATEMENT – III (CONTD)

PART - II
GENERATED INTERNAL AND EXTRA BUDGETARY SUPPORT FOR PLAN SCHEMES

S. No	DESCRIPTION	(RS. IN CRORES)					REASONS FOR VARIATION W.R.T. TARGET 2015-16 B.E.
		2014-15 ACTUALS	2015-16 B.E.	R.E.	Upto Sept.15 Actuals	2016-17 BE	
1	2	3	4	5	6	7	8
7	EXTERNAL CAPITAL RESOURCES (OTHER THAN FROM GOVT. OF INDIA)	0	0	0	0	0	
a)	NET ACCRETION IN PROVIDENT FUND BALANCES IF RETAINED AS PART OF CASH BALANCES	0	0	0	0	0	
b)	GROSS ASSISTANCE FROM FIN. INSTITUTIONS FOR PLAN PROJECT- INDIAN (SPECIFY SOURCE)	0	0	0	0	25.00	
c)	GROSS ASSISTANCE FROM FIN. INSTITUTIONS FOR PLAN PROJECT- FOREIGN (SPECIFY SOURCE)	0	0	0	0	0	
d)	FOREIGN COMMERCIAL BORROWINGS/ SUPPLIERS CREDIT						
e)	PUBLIC DEPOSIT						
f)	BOND / DEBENTURES	0	0	0	0	0	
g)	TOTAL	0	0	0	0	0	
8	TOTAL INTERNAL & EXTERNAL RESOURCES AVAILABLE FOR FINANCING PLAN EXPENDITURE ON PROJECTS, RENEWALS & REPLACEMENTS	168.62	154.48	188.20	175.44	233.19	
9	PLAN OUTLAY	1.32	6.00	6.17	0.51	111.40	
10	BUDGETARY SUPPORT FROM GOVT. FOR PLAN SCHEMES (9-8 OR NIL IF 8 > 9)	0	0	0	0	0	
11	DETAILS OF NON-PLAN BUDGETARY SUPPORT FROM GOI	0	0	0	0	0	
12	CARRY FORWARD OF SURPLUS FOR NEXT YEAR	167.30	148.48	182.03	174.93	121.79	
13	ANTICIPATED OPENING CASH BALANCE ON 1 ST APRIL INCLUDING FDRs IF ANY, REMAINING UNCASHED ON THAT DATE (CASH CREDIT UTILISATION)	187.42	208.12	198.86	193.96	131.60	

• The Funds are earmarked for various Diversification Projects which are under different stages of evaluation.

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD., JODHPUR

STATEMENT –IV

PERFORMANCE INDICES

S.NO.	DETAILS	2015-16* upto Dec.	2014-15*	2013-14*	2012-13
01	COST OF PRODUCTION / OPERATION (Net of other income)	(Rs./LAKH) 19.08	3715	4642	4243
02	COST OF SALES	(Rs./LAKH) 25.33	4515	5220	3857
03	VALUE OF PRODUCTION	(Rs./LAKH) 35.03	8477	8720	7470
04	DEBT EQUITY RATIO	RATIO 0:1	0:1	0:1	0:1
05	CURRENT RATIO	RATIO 4.3:1	3.39:1	2.73:1	3.06:1
06	% OF VALUE ADDED TO CAPITAL EMPLOYED	% 20.58	51.93	62.88	58.71
07	% OF NET SALES/OPERATING INCOME TO CAPITAL EMPLOYED	% 21.42	55.02	70.59	62.42
08	FINISHED GOODS INVENTORY (EXPRESSED AS NO. OF DAYS OF SALES)	DAYS 34	17.53	11.51	20.70
09	RAW MATERIALS INVENTORY (EXPRESSED AS NO.OF DAYS RAW MATERIAL CONSUMED)	DAYS NA	NA	NA	NA
10	SUNDRY DEBTORS (EXPRESSED AS NO. OF DAYS OF NET SALES)	DAYS 2	26.74	12.60	32.13
11	PROFITABILITY (% OF G.P. TO CAPITAL EMPLOYED)	% 13.49	36.68	41.47	32.89
12	% OF NET PROFIT AFTER TAX TO PAID UP CAPITAL	% 200.55	482.51	400.10	388.65
13	% OF NET PROFIT AFTER TAX TO NET WORTH	% 7.91	20.14	19.62	21.73
14	LABOUR CONTENT AS % OF COST OF PRODUCTION	% 15.78	16.91	18.12	19.24
15	RAW MATERIAL CONTENT AS % OF COST OF PRODUCTION	% NA	NA	NA	NA
16	NO.OF EMPLOYEES	Nos. 54	58	69	74
17	% OF MAINTENANCE TO CAPITAL COST	% 1.09	1.97	1.33	1.87

- *The ratios for 2013-14 onwards are calculated as per the directions & new definitions issued by DPE.

Projects & Development India Ltd

1. Introduction

Projects & Development India Ltd. (PDIL) is a Mini Ratna, Category-1 and an ISO 9001:2008 Certified premier Consultancy and Engineering CPSE. PDIL has been playing a pivotal role in the growth of Indian Fertilizer Industry. It has over six decades of experience and expertise in providing Design, Engineering and related project execution services from concept to commissioning of various Projects. Apart from fertilizers, PDIL also provides services in other sectors like Oil & Gas, Refinery, Chemicals, Infrastructure, Offsites and Utilities. In addition, PDIL is an approved Third Party Inspection agency & undertakes works of Third Party Inspection and Non-Destructive Testings. The company is also engaged in the manufacturing of catalysts for the fertilizer and refinery industries. The authorized share capital of the company is Rs. 60 crores and paid capital is Rs. 17.30 crore as on 31.03.2015.

2. Operating Results:

PDIL had earned Profit Before Tax of ₹ (10.48) crores for the year 2014-15 out of the total turnover of ₹ 57.55 crores. During the period April to December, 2015, the company has incurred loss of ₹ 9.77 crore and the estimated profit before tax for the year 2015-16 is ₹ (2.47) crore (RE 2015-16). The low income & profitability is due to low business secured during the previous years as no major fertilizer projects have come up in spite of NIP 2012.

3. Declaration & Payment of Dividend

PDIL has been paying a dividend @ 22% of the paid up capital consistently over the past four years i.e. from 2009-10 to 2012-13. In the year 2013-14, the company paid dividend @ 10% of the paid up Capital as against posted a nominal PBT of ₹1.94 Crores & PAT of ₹1.32 Crores. Company has posted loss of ₹10.48 Crores during the year 2014-15 as such no dividend was declared and paid.

4. Services Offered

i. Pre-Project Services

Market Demand Study Reports, Techno-Economic Feasibility Studies, Detailed Project Reports, Site Selection, Risk Analysis, EIA Studies, etc.

ii. Project Services

a) **Project Implementation Services - Engineering, Procurement & Construction Management (EPCM) Services** - including Inspection & Expediting, Commissioning and Performance Guarantee Test Run

b) **Project Management Consultancy (PMC) Services**

c) **Lump sum Turnkey (LSTK) Projects**

iii. Other Specialized Services

Revamp/ Retrofit/ De-bottlenecking Studies, Health Study, End-to-End Survey, Environmental Engineering, Energy Audit/ Safety Audit, Process Simulation & Optimization, HAZOP Study, Due Diligence Studies, etc

iv. **Third Party Inspection and Non Destructive Testing (NDT) Services** including Project & Third Party Inspection (Shop & Field Inspection) and NDT Services for plants in various industrial sectors.

5. Projects Executed / Under Execution

i. Fertilizer Sector

PDIL has been playing a pivotal role in the development of Fertilizer industries in India. It is ready to take up new challenges in executing the Brown field, Green field, Revamp and Expansion Projects of many fertilizer units in the country.

During the year 2014-2015 major orders secured by PDIL are: -

- Detailed Engineering, Procurement Assistance, Construction /erection supervision and Commisioning Assistance Services for Energy Saving Project Phase-III in Ammonia -Urea plants at Aonla-I, Aonla-II, Phulpur-I, Phulpur-II and Kalol for M/s IFFCO
- Preparation of DFR, PMC services for LSTK post award and Consultancy for balanced item on EPCM basis for proposed GT-HRSG project at RCF Trombay
- Sale of unusable assets of Ramagundam Unit for M/s Fertilizer Corporation of India Limited, Noida
- Engineering Services for fuel substitution, Naphtha Rail/ Truck unloading facility, bulk storage and Naphtha transfer from bulk storage to day tanks of Fertilizer project at Panagarh for M/s Matix Fertilizers & Chemicals Limited, Mumbai
- Basic Engineering, Detailed Engineering, Procurement Assistance and associated services for replacement of existing LP process Condensate Stripper with MP Condensate Stripper in 1 Ammonia plant for M/s KRIBHCO, Surat
- Preparation of Construction & Erection BOQ estimates for proposed Ammonia Urea Fertilizer Complex Project at GRIP Fee Zone, Ogidigben, Delta State, Nigeria for M/s Amlika Mercantile Private Ltd.
- Project Management Services (pre-award & post-award) for setting up a Sulphur Bentonite Plant at Panipat for M/s NFL, Noida.

Projects executed / under execution

Besides the Major orders received as listed above, other major jobs completed and which are ongoing during the year are as below:

- Detailed Engineering Services for parallel operation of new S-300 & S-200 Ammonia Converter in Ammonia Plant at Panipat & Bathinda for NFL.
- PMC Services for Ammonia Urea Complex at Algeria.
- Detailed Engineering Services for Ammonia Plant and Urea Handling of Matix Fertilizers are nearing completion.
- Detailed Engineering services for Utilities for expansion project at Port Harcourt, Nigeria for M/s Indorama Eleme Petrochemicals limited (IEPL), Nigeria.
- Feasibility Study for Ammonia / TAN/ CAN Project at Algeria for JV of Asmidal Group, Algeria and QPI, Qatar.

REFINERY, OIL & GAS AND OTHER SECTORS

PDIL has established its credentials in the Refinery, Oil & Gas sectors and has shown its presence by securing jobs from almost all the prestigious public sector undertakings in these sectors.

Jobs Secured

During the year under review, PDIL secured several jobs in Oil & Gas, Infrastructure and other sectors, major ones are listed below:

- Construction of toilets under Swachh Vidyalaya Abhiyan in the state of Bihar for Patna & Gaya districts for M/s REC Power Distribution Company Ltd., New Delhi
- Design of 2 nos. of Cryogenic above ground storage tanks and other infrastructure to develop LPG/ propane/ propylene import facilities at Haldia for M/s Aegis Logistics Ltd., Mumbai
- Consultancy Services for installation of LPG Bullets at Hazira & Uran plants for M/s ONGC, Surat
- Consultancy Services for Flue Gas Recovery Unit and Construction Supervision & Inspection services for HPCL, Visakh Refinery
- Consultancy, Design & Site Supervision Services for augmentation of facilities at Doimukh depot, Papumpare Dist. (Arunachal Pradesh) for IOCL, Mumbai
- Engineering and Project Management Consultancy for revamping of facilities at LPG Import Terminal, Kandla for IOCL
- Design Engineering consultancy for revamping raze & rebuild and Site Supervision of marketing terminal at Vizag for IOCL, Mumbai
- HAZOP Study of RMP Complex and DHDS Block for M/s BPCL, Mahul Refinery

Projects executed / under execution

During the year under review, PDIL successfully completed the job of providing Consultancy Services for proposed LPG Bottling Plant at Mysore, Detailed Engineering Consultancy Services for Feedstock Conversion of Oxo-alcohol plant from Naphtha to Natural Gas for M/s Andhra Petrochemicals Limited and PMC Services for de-bottlenecking of main fractionator & GCU Section of FCCU-I for M/s HPCL.

Apart from this, job of M/s RINL, Viskakhapatnam for review of pre-start up procedure including risk assessment study and certification of the balance unit of 6.3 MTPA & other related units which are yet to be commissioned was also completed this year. Further, the jobs of Consultancy Services for installation of Mounded Bullets at CPCL, Manali Refinery and PMC Services for Demonstration H₂ PSA Unit for HPCL, Visakh Refinery are progressing well ahead of schedule.

Other assignments which were completed/ are in progress in this sector from PDIL Vadodara Office are:

- Consultancy feasibility study for setting up propane /butane import terminal at west coast (Pipavav, Kandla, Vadinar, Mundra) complete with unloading facilities- IPPL, Kolkatta.
- Hazop study for pig launcher area, firefighting network including tapping node and E & I network at ONGC for BPCL, Uran.
- Consultancy, Design & Engineering and site supervision services for augmentation of terminal facilities at Devanagonthi Terminal-. IOCL, Bangalore.
- Consultancy services for FGRU-HPCL, Vizag.
- Engineering & PMC for revamping of facilities at LPG import terminal, Kandla- IOCL, Kandla.
- Engineering Consultancy services of LPG bullets at Hazira & Uran plant- ONGC, Hazira.

- PMC services for ONGC-Uran U/G underground LPG pipe line- BPCL Sewree.
- Construction Supervision & Inspection Services for TGTU - HPCL Visakh Refinery.
- Consultancy, Design & Site Supervision Services for augmentation of facilities at Doimukh depot yupia, Papumpare Dist. (Arunachal Pradesh)- IOCL, Mumbai.
- Design, Engineering, Consultancy for revamping (raze & rebuild) and site supervision of marketing terminal at Vizag, AP- IOCL, Mumbai.
- Consultancy services for installing a heater at GACL, DAHEJ.
- Commissioning of firefighting system at NTPC Jhanore, Dahej & Ranoli - GAIL, Vadodara.
- Installation of sulphur & moisture analyser and gas chromatograph at GAIL, Dvpl 1 sv station at Samni- GAIL, Vadodara.
- Consultancy Services for provision of Centralized Oil Water separator of effluent plant treatment, M/S. IOCL, Hazira.
- Consultancy Services for pre flash vessel. M/S. IOCL, Digboi.
- Updating of digitized P & I diagrams of ONGC Uran plant after verification & validation to "as built, as on date" condition. M/s. ONGC, URAN.

ii. **Chemical Sector**

PDIL has undertaken many projects in Chemical Sector such as Methanol, Hydrogen, Methyl Amines, Sulphuric Acid, Phosphoric Acid, Nitric Acid, Sodium Nitrite/Nitrate, Ammonium Nitrate and Ammonium Bi-Carbonate. In the recent past, PDIL has provided Consultancy Services to GAIL for GSU & GPU modification job at Pata, Detailed Engineering Services to GSFC, Baroda for Methanol Plant, Basic Design Engineering for Ammonium Sulphate Plant & Ammonia Liquor Treatment Plant of Rourkela Steel Plant at Rourkela for Shriram EPC.

iii. **Infrastructure sector**

PDIL has established credentials in Infrastructure Sector also and has provided PMC Services/ Review Consultancy Services for Housing project of the Ministry of Defense. PDIL is executing the RECPDCL order for construction of toilets under Swachh Vidyalaya Abhiyan in the state of Bihar for Patna & Gaya districts.

iv. **Offsites and Utilities**

PDIL has executed many Offsites and Utilities packages on Turnkey / EPCM basis for a number of clients. These packages include DM Water Plants, Effluent Treatment Plants, Captive Power Plants, Material handling Plants, Atmospheric Ammonia Storage and Handling facilities. Presently, PDIL is rendering Detailed Engineering services for offsites / utilities of an Expansion Project at Port Harcourt, Nigeria for M/s Indorama Eleme Petrochemicals Ltd, Nigeria.

v. **Pharma Sector**

Recently, PDIL has secured order for PMC Services for Cluster Development Programme for Pharma Sector

vi. **Assignments Abroad**

During the year under review, PDIL secured an assignment of carrying out Review of scope of work and forms of EPC contract for revamping Ammonia plant for M/s Petrovietnam Fertilizer and Chemicals Corporation, Vietnam.

During the year, PDIL was awarded two nos. of assignments by Amlika Mercantile Private Ltd. (AMPL), Mumbai viz. Preparation of Construction & Erection BOQ estimates for proposed Ammonia Urea Fertilizer Complex Project by NFCNL at GRIP Fee Zone, Ogidigben, Delta State, Nigeria and Preparation of Bankable Project Report (BPR) for the same Project.

Similarly, two nos. of jobs were secured from Casale Group, Switzerland viz. Investment Cost Estimation for Vortex Granulation Unit and Financial Analysis with IRR calculation for Super Revamp projects in India.

In addition, PDIL was also awarded the assignment for vetting of the in-house report and assistance in filling up of gaps in the RFP document for establishment of Ammonia-Urea plant in southern part of Tanzania by Paradeep Phosphate Ltd., Bhubaneshwar.

Continuing its patronage towards PDIL, JIFCO awarded the job for Design, Engineering, Procurement and Construction Management Services for installation of covers on the Rock Phosphate Silos.

6. Third Party Inspection & NDT Services

During the year under review, PDIL has sustained its growth in the areas of Third Party Inspection (TPI) and Non Destructive Testing (NDT) Services, Statutory inspection, testing and certification of Horton Spheres, Mounded LPG Bullets. Health Assessment of Reformer Catalyst Tubes by Automatic Ultrasonic Scanning (AUS) continued to be a specialized activity and was awarded with many orders. The year under review once again saw Inspection & NDT activities registering its highest turnover in terms of business development and revenue generation (TPI/NDT income).

On the basis of our experience, expertise and satisfactory past performance, M/s Rashtriya Ispat Nigam Limited (RINL)/Visakhapatnam Steel Plant (VSP) have again awarded us with a new work order for pre-dispatch inspection of materials and capacity assessment of industrial units initially for a period of one year.

Many Oil and Gas companies such as GAIL, CPCL, IOCL, BPCL, HPCL continued to repose confidence in PDIL by awarding inspection and NDT jobs to PDIL. IOCL continued to be our valuable and major TPI client.

HPCL awarded PDIL with Project Management Consultancy and Site supervision services for M.B. Lal Committee implementation project at various locations. IOCL also entrusted PDIL with Inspection Services for CCTV Surveillance System at many LPG Bottling Plants, Terminals & Depots under UPSO-I & II, GSO, TNSO, APSO etc.

IOCL also entrusted PDIL with Third Party Inspection of High Mast Signages (HMS) being installed at various Retails Outlets of IOCL across the country and order for inspection of Flexible Intermediate Bulk Containers (FIBC) Bags for supply to their PTA Plant at Panipat. IOCL Head Office availed our services for study of existing power load of IOCL HO Building at Bandra (East) for augmentation of Electrical facilities. In a first of its kind, IOCL HO availed our services for Inspection of Desktop PCs being procured by them. Allahabad Bank also availed PDIL services for inspection of Computers being procured by them.

Apart from the above, PDIL also received TPI orders for Automation of Retail Outlets, automation of tank truck filling and tank farm management system for POL Depots and CCTV surveillance system in IOCL Depots and other installations under IOCL's various state offices namely DSO, KASO, TNSO, KeSO, APSO, MPSO etc.

IOCL also awarded orders for electrical safety audit of their LPG Bottling Plants, Oil Terminals and Oil Depots, Retail Outlets and Auto LPG Dispensing Stations. IOCL also got their office and residential buildings electrical audited by PDIL. PDIL was also entrusted with Electrical Safety Audit of LPG Import/Export Terminal of Indian Oil Petronas at Chennai and Kolkata. IOCL also awarded Energy Audit of many of their locations to PDIL

HPCL Mumbai issued change order for additional 200 man-months for Project Management Consultancy and Site Supervision Services for implementation of M.B. Lal Committee recommendations at their 36 locations spread all over the country.

HPCL also awarded us with electrical audit job of many of their oil Terminals, Depots and LPG Bottling Plants.

BPCL awarded the job of study of lux measurement at their various oil installations in the country.

Delhi Jal Board continued to repose their faith in PDIL by awarding many orders for inspection of Alumina Ferric and Poly Aluminium Chloride (PAC) for treatment of raw water at various Water Treatment Plants of Delhi Jal Board. Public Health Engineering Department, Jammu & Kashmir, also availed our TPI services for inspection of Poly Aluminium Chloride for treatment of raw water at various Water Treatment Plants in J&K. Satisfied with our inspection services, Hyderabad Metropolitan Water Supply & Sewerage Board entered into a new TPI rate contract with PDIL for inspection of materials. HMWSSB also awarded us with inspection of mobile water tankers.

Delhi Transco Limited extended the job of inspection of electrical equipments, electrical and civil works, and technical audit of their sub-stations and transmission lines in NCR for another one year.

PDIL secured many NDT jobs from HPCL, IOCL, BPCL, GAIL, IFFCO etc. including statutory testing of LPG Horton Spheres, Mounded Bullets, Ammonia Storage Tanks and Health Assessment of Reformer Catalyst Tube by Automatic Ultrasonic Scanning (AUS).

In the highly specialized field of Health Assessment of Reformer Tubes by AUS, many clients including IOCL – Digboi Refinery, Haldia Refinery & Bongaigaon Refinery; HPCL Visakh Refinery; NFCL, Kakinada; and IFFCO Kalol availed our services. IFFCO – Phulpur and Kandla Units entrusted us with inspection of Ammonia Storage Tanks at their units.

7. Technical Audit

PDIL continues its engagement by DoF for providing services of Techno-commercial Audit of SSP Plants.

8. Manufacturing of Catalysts

PDIL's Catalysts Division located at Sindri (Jharkhand) manufactures and supplies a wide range of commercially proven catalysts used in Ammonia Plants and other Industries. Catalysts manufactured by PDIL are Secondary Reforming, High Temperature CO Shift, Copper Promoted High Temperature Shift, Conventional Low Temperature Shift, High Copper Low Temperature Shift, Methanation & Super Methanation, De-Sulphurization, and Vanadium Pentoxide.

PDIL's Catalysts are in use in almost all the old and new generation Ammonia Plants in India in the Public, Cooperative and Private Sector. Besides Fertilizer Plants, PDIL's Catalysts are used in Refineries also. PDIL's Vanadium Pentoxide Catalysts have been supplied to many Sulphuric Acid Plants in India as well as abroad.

9 Memorandum of Understanding (MoU)

Your company has received 'Excellent' MOU rating since the first year of its signing MOU in 2006-07 until 2011-12 which is the peak year for PDIL. The Performance is on decline since 2011-12 due to no major projects in Fertilizer sector. In spite of decline in performance as explained, your company was able to secure "Good" MOU rating for the years 2012-13, 2013-14 and is expected to maintain the same in the year 2014-15.

The company is expecting a better order book position and performance in coming years' subject to take off of the investment proposals of fertilizer companies.

STATEMENT -I

PROJECTS / SCHEMES UNDER IMPLEMENTATION/PROPOSED FOR IMPLEMENTATION AND PROVIDED IN THE BUDGET

		Total Cost (12 th Five Year Plan)			Expend up to 2014-15	Outlay 2015-16		Proposed outlay 2016-17	Start of Commercial production		Reason for variation w.r.t. targets (2015-16)
		Original	Latest	Now anticip- ated		BE	RE		Original	Now Anticip- ated	
A	Continuing Scheme										
1	Computer and Software	7.02	4.90	4.90	1.38	1.85	1.75	1.77			The amount has been lower due to present requirements
2	Computer networking	-	-	-	-	-	-	-			
B	New Schemes										
1	Improvement of Infrastructure	1.13	1.34	1.34	1.34	-	-	-			
2	Setting up of Environmental Lab, Noida	-	-	-	-	-	-	-			
3	ERP Design /DMS	3.60	2.48	2.48	2.48	-	-	-			
4	Accommodation for Top Executives	4.00	-	-	-	-	-	-			
5	Diverfication	15.00	-	-	-	15.00	-	-			The idea of Diversification in SSP has been drop due to present performance of the Company
6	Catalyst Plant Equipments	-	1.36	1.36	-	-	0.83	0.53			Considering conditioning of the existing Plant, the amount has been envisaged in RE
7	DRASAP (Disaster Recovery Implementation for SAP)	-	3.00	3.00	-	-	3.00	-			The amount has been considered for safety of database in case of adverse eventuality
8	Revamp of Catalyst Plant at Sindri	-	3.00	3.00	-	-	-	3.00			
C	SCIENCE & TECHNOLOGY	-	-	-	-	-	-	-			
D	RENEWALS AND REPLACEMENT	9.61	7.73	7.73	1.33	2.84	3.32	3.08			The amount has been higher due to uplifting of building and other infrastructure
	TOTAL	40.36	23.81	23.81	6.53	19.69	8.90	8.38			

[₹ in Crores]

STATEMENT –II

PRODUCTION

[MT]

	Name of plant/ project	Annual installed capacity	2014-15		% Cap. Utili.	2015-16		% Cap. Utili.	2016-17 Estimated	% Cap. Utili.	Reason for variation w.r.t. targets
			Target	Actual		Target	Anticipated				
	1	2	3	4	5	6	7	8	9	10	11
1	HT Co. Conv. Catalyst	360	0	79	21.94%	66	29	8.06%	110	30.56%	lack of order
2	LT Co. Conv. Catalyst	600	156	0	0.00%	90	60	10%	130	21.67%	lack of order
3	Nickel Based Catalyst	300	25	3	1.00%	25	108	36%	40	13.33%	lack of order
	Total	1260	181	82	6.51%	181	197	15.63%	280	22.22%	

Note: PDIL is basically a consultancy organization offering its services to Industry. Production of Catalyst at its Sindri Unit formed 2.92% only of total income during 2014-15.

STATEMENT –III

ESTIMATES OF INTERNAL / EXTERNAL RESOURCES
Part – I Retained Profit / Surplus

[₹ In Crores]

SL No.	Description	2013-14	2014-15	2015-16		2016-17	Reason for variation w.r.t Targets (2015-16)
		Actual	Actual	BE	RE	BE	
1	Receipts						As no major fertilizers projects come up during the year 2015-16, booking of business orders is not as per expectations. As such the receipts has been revised from ₹ 84.42 crore BE to ₹ 73.66 crore RE.
a)	Gross sales / operating income	58.34	46.18	71.67	61.09	75.91	
b)	Other income	14.27	11.37	12.75	12.57	12.75	
	Total (1)	72.61	57.55	84.42	73.66	88.66	
2	Operating Cost						
a)	Salaries & wages	44.34	44.28	48.40	47.00	49.87	
b)	Maintenance costs						
c)	Other costs	23.62	21.24	25.20	27.24	32.09	
d)	Net past period Adjusted	-	-				
	Total (2)	67.96	65.52	73.60	74.24	81.96	
3	Depreciation & write off						As no major fertilizers projects come up during the year 2015-16, booking of business orders is not as per expectations. As such the receipts has been revised from ₹ 84.42 crore BE to ₹ 73.66 crore RE.
a)	Depreciation	2.71	3.58	2.82	2.46	2.65	
b)	DRE / write off	-	-	-	-	-	
	Total (3)	2.71	3.58	2.82	2.46	2.65	
4	Interest payment to						
a)	Central Govt.						
b)	Others						
	Total (4)	0.00	0.00	0.00	0.00	0.00	
5	Bonus to employees						
6	Accretion (+) /decretion (-)	0.00	(1.07)	0.00	(0.57)	0.00	
7	Off stock of finished.	0.62	(4.62)	2.72	0.00	0.00	
8	Provision for income tax	2.02	0.00	0.00	0.00	0.00	
9	Div. Payment to central Govt.						As no major fertilizers projects come up during the year 2015-16, booking of business orders is not as per expectations. As such the receipts has been revised from ₹ 84.42 crore BE to ₹ 73.66 crore RE.
10	Investment in securities	-	-	-	-	-	
	Transfer to General Reserve	73.31	63.41	79.14	76.13	84.61	
11	Total (2 to 10)	(0.70)	(5.86)	5.28	(2.47)	4.05	
	Retained profit / surplus						
	Carried over to part II						

STATEMENT –III Cont'd...

PART –II

GENERATED INTERNAL AND EXTRA BUDGETARY SUPPORT FOR PLAN SCHEMES

[₹ In Crores]

SL No.	Description	2013-14	2014-15	2015-2016		2016-17	Reason for variation w.r.t Targets (2015-16)
		Actual	Actual	BE	RE	BE	
1	Retained Surplus from Part-I	(0.70)	(5.86)	5.28	(2.47)	4.05	
2	Add-Depreciation & write Offs	2.71	3.58	2.82	2.46	2.65	
	Total (1 & 2)	2.01	(2.28)	8.10	(0.01)	6.70	
3	Deduct						
a)	Total: Loan repayment of which (To Govt. Of India) FCI						
b)	Net increase in working Capital requirement other than cash & bank balance for financial increase				-		
c)	Non Plan capital requirement (explain the need for this)	3.00	0.42	19.69	8.90	8.38	
d)	Amounts withdrawn from reserves to meet fully or partly expenditure and treated as off- setting expenditure on part-II						
e)	Others, if any (please specify) write off / waiver						
	Total	3.00	0.42	19.69	8.90	8.38	
4	Adjusted Internal resources available for plan schemes (1+2-3)	(0.99)	(2.70)	(11.59)	(8.91)	(1.68)	
5	Carry forward surplus available from previous year	76.15	75.16	72.46	72.46	63.55	
6	Total Internal resources (4+5)	75.16	72.46	60.87	63.55	61.87	
7	External Capital resources (other than from Govt of India)						
a)	Net accretion in provident fund balances if retained as part of cash balances of the undertaking.						

PART –II

[₹ in Cr.]

Sl. No.	Description	2013-14	2014-15	2015-16		2016-17	Reason for variation w.r.t. targets (2015-16)
		Actual	Actual	BE	RE	BE	
b)	Gross Assistance from financial institution for plan project Indian (specify sources)						
c)	Gross Assistance from financial institution for plant project. Foreign (specify source)						
d)	Foreign Commercial borrowings/suppliers credit						
e)	Public deposit						
f)	Bonds						
	Total (7)						
8	Total internal and external resources available for financing plan expenditure on projects renewals & replacements etc. (6 & 7)	75.16	72.46	60.87	63.55	61.87	
9	Plan Outlay	3.00	0.42	19.69	8.90	8.38	
10	Budgetary support from Govt. for plan schemes (9-8) or nil if 8 is greater than 9						
11	Details of non-plan budgetary support from Govt. of India						
12	Anticipated opening cash balance on 1.4.96 incl. of FDR's if any remaining uncashed on that date.						

PERFORMANCE INDICES

STATEMENT-IV

Sl. No.	Details	2013-14	2014-15
1	Cost of Production / Operation (₹ In lacs)	7067	6804
2	Cost of sales (₹ In lacs)	5369	5308
3	Value of Prodn./output/services (₹ In Lacs)	5805	4725
4	Debt Equity Ratio	NA	NA
5	Current Ratio	382:100	421:100
6	Percentage of value added to capital employed	(6.25%)	(15.60%)
7	Percentage of net sales/operating income to capital employed	43.25%	37.46%
8	Finished goods inventory (expressed as no. of days of sales) (Catalyst)	89 Days	562 Days
9	Raw materials inventory (as no of days of materials consumption (Catalyst)	99 Days	290 Days
10	Sundry debtors (expressed as no. of days of net sales)	160 days	215 days
11	Profitability (percentage of G.P. to capital employed)	3.45%	(5.60%)
12	Percentage of net profit to paid up capital (before tax)	11.21%	(60.58%)
13	Percentage of net profit to net worth	1.42%	(8.10%)
14	Labour content as percentage of cost of production	62.74%	65.08%
15	Raw material content as percentage of cost of production (Catalyst)	38.14%	23.19%
16	No. of employees	465	487
17	Percentage of maintenance to capital cost	4.14%	4.14%

Hindustan Fertilizer Corporation Limited (HFCL)

HFCL has 3 units located at Durgapur Barauni and Haldia. HFCL had been consistently incurring losses due to a variety of reasons and were declared sick by the Board for Industrial and Financial Restructuring (BIFR) in 1992. Government of India (GoI) decided in 2002 to close operations of all fertilizer units of HFCL and release all its employees. These units have large infrastructure facilities like sizable land bank, residential and office buildings, railway siding, tied up sources of electricity and water.

Considering the shortage of domestic production of urea for meeting the growing demand in the country and availability of well-developed infrastructure in various closed units of the Company, CCEA in 2007 gave approval to examine the feasibility of revival of the closed units of HFCL. Cabinet in 2008 accorded approval for revival of the closed units of HFCL subject to non-recourse to Government funding and constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options for their revival. The ECOS recommended that the revival of these units should be done through 'bidding route' by the private parties. CCEA in 2011 approved Draft Rehabilitation Scheme (DRS) for revival of HFCL as recommended by ECOS. The DRS envisaged revival of Barauni, Durgapur and Haldia units through 'bidding route'.

Subsequently, CCEA while considering the proposal for revival of FCIL units in its meeting held on 9.5.2013 'Inter-alia' approved that revival of HFCL Units will be taken up once the revival of FCIL units is on track. However, in the context of the recent announcement of the proposed Jagdishpur-Haldia Pipeline of GAIL, GoI decided fast tracking of revival, of Barauni unit of HFCL by demerging Barauni unit from HFCL. Cabinet approved on 31.3.2015 de-merger of Barauni Unit from HFCL and revival of the same through 'bidding route'.

The process of demerger is complex and long drawn. Meanwhile, Government of Bihar 'in-principal' agreed for 100% waiver of erstwhile Bihar State Electricity Board dues on HFCL in lieu of waiver of HFCL dues on Bihar State Co-operative & Marketing Union and for transferring 56 acres of 'Ash Dyke Land' at Barauni by HFCL to them on payment basis and also Rashtriya Chemicals & Fertilizers Limited has agreed for onetime settlement of its dues at 30% of the outstanding dues and waiver of the interest. The above developments gave a new dimension to the issue and significantly enhanced the chances of getting the HFCL's net-worth positive it has been decided to make the net worth of HFCL positive, so that HFCL could be de-registered from the purview of BIFR and revive Barauni unit itself. Accordingly, a Cabinet note seeking waiver of GoI loan and interest thereon is finalized and is under inter-ministerial consultation. Comments from ministry of Finance is awaited.

FERTILIZER CORPORATION OF INDIA LIMITED (FCIL)

FCIL has 5 units located at Sindri (Jharkhand), Talcher (Odisha), Ramagundam (Telangana), Gorakhpur (Uttar Pradesh) & Korba (Chhattisgarh). FCIL had been consistently incurring losses due to a variety of reasons and were declared sick by the Board for Industrial and Financial Restructuring (BIFR) in 1992. Government of India (GoI) decided in 2002 to close operations of all fertilizer units of FCIL and release all its employees. These units have large infrastructure facilities like sizable land bank, residential and office buildings, railway siding, tied up sources of electricity and water.

Cabinet Committee Economic Affairs (CCEA) in 2007 gave approval to examine the feasibility of revival of the closed units of FCIL. Cabinet in 2008 accorded approval for revival of the closed units of FCIL subject to non-recourse to Government funding and constituted an Empowered Committee of Secretaries (ECOS) to evaluate all options for their revival. The ECOS recommended that the revival of these units should be done through 'nomination route' by Public Sector Undertakings (PSUs) and through 'bidding route' by the private parties. CCEA in 2011 approved Draft Rehabilitation Scheme (DRS) for revival of FCIL as recommended by ECOS. The DRS envisaged revival of Talcher, Sindri and Ramagundam units on nomination basis by PSUs and revival of Gorakhpur and Korba units through 'bidding route'. In order to facilitate the revival of closed units of FCIL, CCEA in 2013 approved waiver of GoI loan and interest on FCIL to make the net worth of FCIL positive and to seek its de-registration from BIFR.

The progress of revival of FCIL units is as under:

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, Rashtriya Coal Gas Fertilizer Limited, has been incorporated on 13th November 2015. In the meantime a meeting held on, 6th January, 2016, under chairmanship of Minister for Chemicals and Fertilizers, it was decided to change the JV company name to "Talcher Fertilizers Limited" with following equity participation: RCF: 26%, CIL: 37%, GAIL: 26%, FCIL: 11%. CIL has appointed SBICap for the purpose of technical feasibility and financial viability of the coal gasification, validating TEFR, prepared by PDIL for the project and also to carry out asset valuation of Talcher Unit. CIL has submitted the report received from SBICap to DoF. DoF is in the process of putting it upto the inter-ministerial Empowered Committee headed by CEO, NITI Aayog to decide on the future course of action.

Ramagundam Unit

The pre-project activities for revival of Ramagundam unit (Telangana) by the nominated PSUs, namely, EIL, NFL and FCIL are in progress to set-up a gas-based fertilizer plant. A Joint Venture Company, namely, Ramagundam Fertilizers & Chemicals Limited (RFCL) has been incorporated on 17.02.2015. RFCL has appointed EIL as EPC Service Provider on 31.3.2015. Environment clearance from MoEF obtained on 16.10.2015. Licensors' Agreements for Ammonia and Urea entered with HTAS and SAIPEM, respectively, on 24.9.2015. Zero date for the project declared as 25.09.2015. The project likely to be commissioned by 30.09.2015.

Sindri unit

Union Cabinet in their meeting dated 21.5.2015 decided to revive Sindri Unit of FCIL through 'bidding route', instead of revival of Sindri Unit by SAIL on 'nomination route'. Cabinet further constituted an Empowered Committee (EC) consisting of CEO, NITI Aayog. FCIL initiated bidding process and published RFQ for Sindri Unit on 17.9.2015. Only one application for Sindri Unit was received. It has been decided to cancel the bidding process as there was no competitive bidding. In the meantime a meeting was held amongst Minister (Chemicals & Fertilizers), MoS(Coal) and MoS(Petroleum Natural & Gas) to review progress of revival of FCIL units on 6.1.2016. In the meeting MoS (Coal) mentioned that the Jharia Town in Jharkhand is on the verge of a major disaster due to underground coal fire and needs urgent rehabilitation to avert a major accident in the region. During the meeting it was decided that FCIL would part with about 1000 acres of land at Sindri to Jharia Rehabilitation Development Authority and the latter would pay at market rate for the land to FCIL. FCIL would set up a Gas-based fertilizer plant on its own at Sindri. It has been decided to put up the matter for approval of Cabinet. The Cabinet note is under preparation.

Gorakhpur unit

Union Cabinet in their meeting dated 31.3.2015 decided to revive Gorakhpur Unit of FCIL through 'bidding route'. Cabinet further constituted an Empowered Committee (EC) consisting of CEO, NITI Aayog. FCIL initiated bidding process and published RFQ for Gorakhpur Unit on 27.8.2015. A sole application was received, which did not meet the qualification criteria, therefore it has been decided to cancel the bid process. EC in its meeting held on 25.01.2015 discussed the situation in details and recommended to reinstate the bid process with interventions/benefits specific to the revival units. According a Cabinet note has been finalized, which is under approval.

Korba unit

The revival of Korba Unit would be taken up later on.

CHAPTER – V

FINANCIAL REQUIREMENTS OF PROGRAMMES AND ACTIVITIES

The Budget provisions under Demand No. 7, relating to the Department of Fertilizers for the year 2016-2017 are shown below: -

(Rs. in crore)

	Budget Estimates of 2016-2017		
	Plan	Non-Plan	Total
Secretariat Services	--	29.31	29.31
Fertilizer Industries (Gross)	10.00	74100.06	74110.06
Total (Gross)	10.00	74129.37	74139.37
Recoveries	--	4100.00	4100.00
Total (Net)	10.00	70029.37	70039.37

2. The provision for the Secretariat Services is meant for the expenditure of the Secretariat of the Department of Fertilizers & expenditure on the Secretariat of the Fertilizers Industry Coordination Committee in the Ministry of Chemicals and Fertilizers. The provisions for Fertilizer Industry cover investment in and loans to Public Sector Undertakings under the administrative control of the Department of Fertilizers for production of fertilizers. It also includes provision for payment of subsidy on indigenous fertilizers and Freight Subsidy, subsidy on imported fertilizers, subsidy payments to manufacturers/ importers of decontrolled fertilizers under the Nutrient Based Subsidy Scheme and other programmes / activities.

3. The Plan Budget Estimates 2015-2016, Revised Estimates 2015-2016 and the Budget Estimates 2016-2017 in respect of the Department of Fertilizers are shown below: -

(Rs. In crore)

	Budget Estimates	Revised Estimates	Budget Estimates
	2015-2016	2015-2016	2016-2017
Demand No. 7 Department of Fertilizers	50.00	1002.80	10.00

4. The detailed provisions (both Plan and non-Plan) included in these estimates for each programmes / activity are shown in Statement – I.

5. The Annual Plan Outlay for 2016-2017 for Public Sector Undertakings and Department's Scheme is shown in statement – II.

6. During the financial year 2015-16, the surrender of savings is yet to be finalized.

STATEMENT-I**STATEMENT SHOWING THE PROVISION BOTH PLAN & NON-PLAN INCLUDED IN BUDGET ESTIMATES 2015-2016, REVISED ESTIMATES 2015-2016 AND BUDGET ESTIMATES 2016-2017 FOR PROGRAMMES/ACTIVITIES OF THE DEPARTMENT**

(Rs. in crore)

S. No.	PROGRAMME / ACTIVITY WITH DETAILS OF UNDERTAKING/AGENCIES RESPONSIBLE FOR ITS EXECUTION	BUDGET ESTIMATES 2015-2016			REVISED ESTIMATES 2015-2016			BUDGET ESTIMATES 2016-2017		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5	6	7	8	9	10	11
A.	Administration Secretariat of the Deptt. Of Fertilizers (Secretariat Economic Services *)	-	26.25	26.25	-	22.42	22.42	-	29.31	29.31
	Total	-	26.25	26.25	-	22.42	22.42	-	29.31	29.31
B.	Fertiliser Industries Investment / loans to Public Sector undertakings/ Cooperative Sector (Assistance to PSUs/Investment in PSEs*)									
(i)	Fertilizers & Chemicals Travancore Ltd.	34.99	-	34.99	1000.00	-	1000.00	-	-	#
(ii)	Pyrites Phosphates & Chemicals Ltd.	-	0.01	0.01	-	0.00	0.00	-	0.01	0.01
(iii)	Hindustan Fertilizers Corporation Ltd.	-	0.01	0.01	-	0.00	0.00	-	0.01	0.01
(iv)	Fertilizers Corporation of India Ltd.	-	0.01	0.01	-	0.00	0.00	-	0.01	0.01
(v)	Paradeep Phosphates Ltd.	-	-	-	-	-	-	-	-	-
(vi)	Madras Fertilizers Ltd.	10.00	-	10.00	0.00	-	0.00	-	-	#
(vii)	Brahmaputra Valley Fertilizers Corpn.Ltd.	5.00	0.01	5.01	0.00	0.00	0.00	1.00	0.01	1.01
(viii)	Investment for JVs abroad	0.00	-	0.00	0.00	-	0.00	-	-	-
	Subsidy on Fertilizers									
(ix)	Fertilizers Industry Coordination Committee Secretariat and other programmes #	-	2.90	2.90	-	2.40	2.40	-	#	#
(X)(a)	Subsidy on indigenous Fertilizers (gross Expenditure)-Indigenous Urea *	-	38200.00	38200.00	-	38200.00	38200.00	-	40000.00	40000.00
(b)	Compensation for loss on account of sales of fertilizers bonds under indigenous Urea #		0.01	0.01	-	0.01	0.01	-	#	#
(c)	Import of Fertilizer (Gross Expenditure)- Import of Urea *	-	16400.00	16400.00	-	16400.00	16400.00	-	15100.00	15100.00
	Total Urea Subsidy		54600.01	54600.01	-	54600.01	54600.01	-	55100.00	55100.00

Cont'd.... /-

S. No.	PROGRAMME / ACTIVITY WITH DETAILS OF UNDERTAKING/ AGENCIES RESPONSIBLE FOR ITS EXECUTION	BUDGET ESTIMATES 2015-2016			REVISED ESTIMATES 2015-2016			BUDGET ESTIMATES 2016-2017		
		3	4	5	6	7	8	9	10	11
1	2	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
(xii)(a)	Payment to manufacturer/agents for concessional sale of decontrolled fertilizer (Gross Expenditure)-Nutrient Based Subsidy Policy (Ind. P & K, Imp. P & K and Market assistance for City compost). *	-	22468.56	22468.56	-	21937.56	21937.56	-	19000.00	19000.00
(b)	Compensation for loss on account of sales of fertilizers bonds under P & K Fertilizers#		0.02	0.02		0.02	0.02	-	#	#
	Total decontrolled fertilizers		22468.58	22468.58		21937.58	21937.58	-	19000.00	19000.00
Research & Development and other Fertilizer Grants (Assistance to PSUs/Investment in PSEs*)										
(xiii)	Write off of all Plan & Non-Plan loans, interest thereon on GOI loan outstanding against HFCL, MFEL, FACT, FCI and PDIL	-	0.01	0.01	-	0.01	0.01	9.00	0.01	9.01
(xiv)	Post closure adjustment liabilities of PPL	-	0.01	0.01	-	0.01	0.01	-	0.01	0.01
(xv)	Capital subsidy for concession of existing 4 plants from FO/LSHS to NG/LNG	-	-	-	-	-	-	-	-	-
Other Programmes										
(xvi)	S & T Programmes #	0.00	--	0.00	0.00	--	0.00	#	#	#
(xvii)	MIT #	0.00	0.00	0.00	2.80	0.00	2.80	#	#	#
	Total (B)	50.00	77071.51	77121.51	1002.80	76542.85	77545.65	10.00	74100.06	74110.06
	Total (A+B)	50.00	77097.76	77147.76	1002.80	76565.27	77568.07	10.00	74129.37	74139.37
Recoveries										
(i)	Import of Fertilizer (Urea)	-	4100.00	4100.00	-	4100.00	4100.00		4100.00	4100.00
(ii)	Decontrolled Fertilizers	-	-	-	-	-	-			
(iii)	Indigenous Urea	-	-	-	-	-	-			
Total Recoveries		-	4100.00	4100.00	-	4100.00	4100.00			
Net Allocations		50.00	72997.76	73047.76	1002.8	72465.27	73468.07	10.00	70029.37	70039.37

* - Nomenclature has been changed after rationalization of schemes. In Nutrient Based Subsidy Scheme a token provision of ₹ 1.00 Lakh has been made for City Compost during financial year 2016-17.

- The scheme/programme has been discontinued or merged with other schemes

STATEMENT-II
STATEMENT SHOWING THE DETAILS OF ANNUAL PLAN OUTLAY FOR 2015-2016, FOR VARIOUS PROGRAMMES ACTIVITIES OF THE DEPARTMENT OF FERTILIZERS
 (₹ in crore)

S. No.	Programme / Activity	Name of the Undertaking responsible for execution of programme/activity	Annual Plan Outlay 2016-2017	Internal and Extra Budgetary Resources for financing Annual Plan Outlay 2016-2017	Government Budgetary Support for financing the Annual Plan Outlay 2016-2017
1	2	3	4	5	6
1.	Fertilizer Industries Investment/ loans to Public Sector Undertakings	i The Fertilizers & Chemicals Travancore Ltd.	--	0.00	9.00
		ii Madras Fertilizers Ltd.	20.00	0.00	
		iii Project & Development India Ltd.	8.38	0.00	
		iv Hindustan Fertilizers Corporation	0.00	0.00	
		v Fertilizer Corporation of India	0.00	0.00	
		vi National Fertilizers Ltd.	415.94	435.44	
		vii Rashtriya Chemicals & Fertilizers Ltd.	2630.90	3404.87	
		viii Brahmaputra Valley Fertilizer Corporation Ltd.	--	50.93	
		ix FCI Aravali Gypsum & Minerals India Ltd.(FAGMIL)	111.40	111.40	
		x Brahmaputra Valley Fertilizer Corporation Ltd.*	0.00	-	
		Total	3186.62	4002.64	

Note: - * The amount earmarked for BVFCL will be utilized for the Benefits of North- East- Region.