

MINISTRY OF CHEMICALS AND FERTILISERS**DEMAND NO. 7****DEPARTMENT OF FERTILISERS**

A. The Budget allocations, net of recoveries, are given below:

| | | <i>(In crores of Rupees)</i> | | | | | | | | |
|---|------------------|------------------------------|-----------------|-------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| Major Head | Budget 2009-2010 | | | Revised 2009-2010 | | | Budget 2010-2011 | | | |
| | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | |
| Revenue | 4.00 | 49999.96 | 50003.96 | 4.00 | 52999.96 | 53003.96 | 5.50 | 49999.96 | 50005.46 | |
| Capital | 196.00 | 0.04 | 196.04 | 196.00 | 0.04 | 196.04 | 209.50 | 0.04 | 209.54 | |
| Total | 200.00 | 50000.00 | 50200.00 | 200.00 | 53000.00 | 53200.00 | 215.00 | 50000.00 | 50215.00 | |
| 1. Secretariat-Economic Services | 3451 | ... | 17.22 | 17.22 | ... | 17.22 | 17.22 | ... | 17.24 | 17.24 |
| Crop Husbandry | | | | | | | | | | |
| 2. Subsidy on imported fertilizers | 2401 | ... | 5947.94 | 5947.94 | ... | 3947.94 | 3947.94 | ... | 5500.00 | 5500.00 |
| 3. Subsidy on decontrolled fertilizers | | | | | | | | | | |
| 3.01 Payment to manufacturers/ Agencies for concessional sale of decontrolled fertilizers | 2401 | ... | 34252.06 | 34252.06 | ... | 34952.06 | 34952.06 | ... | 28500.00 | 28500.00 |
| 4. Fertilizer Industries | | | | | | | | | | |
| 4.01 Subsidy on indigenous fertilizers | 2852 | ... | 9780.25 | 9780.25 | ... | 14080.25 | 14080.25 | ... | 15980.73 | 15980.73 |
| 5. Other research schemes for fertilizer development S & T programme | 2852 | 2.00 | ... | 2.00 | 2.00 | ... | 2.00 | 2.00 | ... | 2.00 |
| 6. Non-plan loans to public sector undertakings | | | | | | | | | | |
| 6.01 Hindustan Fertilizer Corporation Ltd. | 6855 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| 6.02 Fertiliser Corpn. of India Ltd. | 6855 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| 6.03 Pyrites, Phosphates & Chemicals Ltd. | 6855 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| 6.04 Brahmaputra Valley Fertilizer Corporation Ltd. | 6855 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| | <i>Total</i> | ... | 0.04 | 0.04 | ... | 0.04 | 0.04 | ... | 0.04 | 0.04 |
| 7. Lumpsum provision for Projects/ Schemes for the benefit of the North Eastern Region and Sikkim | 6552 | 64.99 | ... | 64.99 | 64.99 | ... | 64.99 | 44.99 | ... | 44.99 |
| 8. Investment in Public Enterprises | 6855 | 131.00 | ... | 131.00 | 131.00 | ... | 131.00 | 164.50 | ... | 164.50 |
| 9. Investment for JVs abroad | 4855 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 |
| 10. Other Programmes | | | | | | | | | | |
| 10.01 For write off of loan, interest and penal interest on Govt. of India loan outstanding against HFCL, MFL, FACT, FCI & PDIL | 3475 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| 10.02 Other programmes | 2852 | 2.00 | 2.47 | 4.47 | 2.00 | 2.47 | 4.47 | 3.50 | 1.97 | 5.47 |
| 10.03 Post closure adjustment liabilities of PPL | 3475 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 | ... | 0.01 | 0.01 |
| | <i>Total</i> | 2.00 | 2.49 | 4.49 | 2.00 | 2.49 | 4.49 | 3.50 | 1.99 | 5.49 |
| Grand Total | | 200.00 | 50000.00 | 50200.00 | 200.00 | 53000.00 | 53200.00 | 215.00 | 50000.00 | 50215.00 |

| | Head of Dev. | Budget 2009-2010 | | | Revised 2009-2010 | | | (In crores of Rupees) Budget 2010-2011 | | |
|---|--------------|------------------|----------------|----------------|-------------------|---------------|----------------|---|----------------|----------------|
| | | Budget Support | I.E.B.R | Total | Budget Support | I.E.B.R | Total | Budget Support | I.E.B.R | Total |
| B. Investment in Public Enterprises | | | | | | | | | | |
| 8.01 Fertilizers & Chemicals Travancore Ltd. | 12855 | 34.00 | ... | 34.00 | 34.00 | ... | 34.00 | 89.99 | ... | 89.99 |
| 8.02 National Fertilizers Ltd. | 12855 | ... | 550.15 | 550.15 | ... | 139.25 | 139.25 | ... | 900.50 | 900.50 |
| 8.03 Projects and Development(India) Ltd. | 12855 | ... | 5.35 | 5.35 | ... | 8.38 | 8.38 | ... | 5.38 | 5.38 |
| 8.04 Rashtriya Chemicals and Fertilizers Ltd. | 12855 | ... | 988.05 | 988.05 | ... | 250.68 | 250.68 | ... | 622.82 | 622.82 |
| 8.05 Madras Fertilizers Ltd. | 12855 | 96.99 | ... | 96.99 | 96.99 | ... | 96.99 | 74.50 | ... | 74.50 |
| 8.06 Brahmaputra Valley Fertilizer Corporation Ltd. | 12855 | 65.00 | ... | 65.00 | 65.00 | ... | 65.00 | 45.00 | ... | 45.00 |
| 8.07 Krishak Bharti Cooperative Ltd. | 12855 | ... | 497.00 | 497.00 | ... | 421.50 | 421.50 | ... | 1160.00 | 1160.00 |
| 8.08 Fertilizer Corporation of India (FAGMIL) | 12855 | ... | 29.01 | 29.01 | ... | 4.35 | 4.35 | ... | 11.29 | 11.29 |
| Total | | 195.99 | 2069.56 | 2265.55 | 195.99 | 824.16 | 1020.15 | 209.49 | 2699.99 | 2909.48 |
| C. Plan Outlay :- | | | | | | | | | | |
| 1. Fertilizer Industries | 12855 | 135.01 | 2069.56 | 2204.57 | 135.01 | 824.16 | 959.17 | 170.01 | 2699.99 | 2870.00 |
| 2. North Eastern Areas | 22552 | 64.99 | ... | 64.99 | 64.99 | ... | 64.99 | 44.99 | ... | 44.99 |
| Total | | 200.00 | 2069.56 | 2269.56 | 200.00 | 824.16 | 1024.16 | 215.00 | 2699.99 | 2914.99 |

1. Provision is for expenditure on Secretariat of the Department .

2. As indigenous production is not adequate to meet the demand for fertilizers, imports are arranged to make up for the shortfall. The cost involved is broadly the price of imported fertilisers plus the cost of handling and distribution of the fertilisers. The selling price of imported fertilisers to farmers is controlled under the Fertiliser Control Order and the consumer prices are thus statutorily regulated. This selling price is the same as the selling price for indigenous production. The difference between the amount realised by way of sale of fertilisers to farmers and the import costs to Government represents the subsidy on fertiliser imports.

3. Provision is for payment to the manufacturers / agencies under the scheme of sale of decontrolled Phosphatic and Potassic fertilisers at concession to the farmers. The concession would lead to balanced use of fertilisers (NPK) nutrients for better soil health and productivity.

4. This provision relates to subsidy under Fertilizer Retention Price Scheme including freight subsidy for production of urea. The subsidy scheme is intended to make fertilisers available to the farmers at reasonable prices and to give producers of fertilisers a reasonable return on their investment. The fertilisers are sold at issue prices, fixed from time to time under the Fertiliser Control Order.

5. The provision is for S&T work and for development of essential know-how for production of fertilisers.

6. The provision for Non-Plan loans to HFC, FCI, PPCL and BVFCL are intended to enable the companies to meet shortfall in resources. FCI and HFC are sick companies,

having been referred to BIFR under SICA. PPCL has stopped all its activities and the Company is under liquidation.

7. The provision is for the projects / schemes for the benefits of North Eastern Areas and Sikkim.

8. **Investment in Public Enterprises** : The equity and loan wise break up of the budgetary support to these enterprises and the IEER are given in Expenditure Budget Vol.I.

8.01 **Fertilizers and Chemicals Travancore Ltd.(FACT)** is engaged in production of nitrogenous and phosphatic fertilisers, ammonium sulphate, ammonium chloride, sulphur dioxide, etc. The company has three operating units - one at Udagamandal and the other two units at Cochin. All the three units have an installed capacity each of 3.26 lakh tonnes of nitrogen, 1.27 lakh tonnes of P2O5 and 0.50 lakh tonnes of Caprolactum.

8.02 **National Fertilizers Limited (NFL)** has five units namely, Nangal-I and Nangal-II, Bhatinda, Panipat and Vijaypur with a total installed capacity of 14.88 lakh tonnes of nitrogen per annum.

The company has commissioned captive power plants at its fertilizer plants at Bhatinda, Panipat and Nangal Modernisation Plant Phase-I at Nangal. The Vijaypur Expansion Project at Guna, MP at an estimated cost of Rs.1071.00 crores, creating an additional capacity of 7.26 lakh tonnes per annum, commenced in 1997.

8.03 **Projects and Development (India) Ltd. (PDIL)** has a design engineering and consultancy service unit, a research and development division and fabrication workshop of equipment and vessels in the field of fertilisers and is assisting the fertiliser companies in the field of design engineering, technical procurement, supervision, construction

and commissioning etc. The company is also engaged in the manufacture of catalysts for the fertiliser industry.

8.04 Rashtriya Chemicals and Fertilizers Ltd (RCFL) is engaged in the production of nitrogenous and phosphatic fertilisers and some industrial products like methanol and ammonium nitrate, etc. At present, the company has four operating units namely, Trombay, Trombay-IV, Trombay-V and Thal with a total installed capacity of 9.55 lakh tonnes of nitrogen and 1.20 lakh tonnes of P₂O₅ and 0.45 lakh tonnes of K₂O.

8.05 Madras Fertilizers Limited (MFL) was a joint sector company with participation of Government of India, National Iranian Oil Company and AMOCO India incorporated in USA. The shares of AMOCO India have been purchased partly by Government of India and partly by the National Iranian Oil Company. The company is engaged in the manufacture of urea and complex fertilisers.

8.06 Brahmaputra Valley Fertilizers Corporation Ltd.(BVFCL) Operating units of HFC, i.e. Namrup -I, Namrup-II and Namrup-III, have been segregated and incorporated into a new company Brahmaputra Valley Fertilizers Corporation Ltd. with production capacity of 5.5 LMT of urea per annum.

8.07 Krishak Bharti Cooperative Ltd. (KRIBHCO) A large sized ammonia / urea complex has been set up in the cooperative sector at Hazira in Gujarat by the Krishak Bharti Cooperative Ltd. Based on natural gas, the project has an installed capacity of 6.68 lakh tonnes of nitrogen.

8.08 Fertilizer Corporation of India (FAGMIL) FCI Aravali Gypsum and Minerals India Ltd. (FAGMIL) incorporated under Companies Act 1956 as a public sector undertaking on 14.2.2003, after hiving off the Jodhpur Mining Organisation (JMO) of Fertilizer Corporation of India (FCI) has come into force w.e.f. 1.4.2003 after approval of the Demerger Scheme between FCI and FAGMIL by the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 17.5.2004.

9. The provision is for investment for Joint Ventures (JVs) abroad.

10. This includes Non-Plan provision for the office of Fertilizer Industry Coordination Committee, an attached office of the Department of Fertilisers, grants in the field of Management Information Technology, and write off of Govt. of India's loans, interest and penal interest due from Hindustan Fertilizer Corporation Ltd. Fertilizer Corporation of India Ltd., Projects and Development (India) Ltd., Madras Fertilizers Ltd. and Fertilizers and Chemicals Travancore Ltd.