

MINISTRY OF CHEMICALS AND FERTILIZERS**DEMAND NO. 6****Department of Fertilizers**

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

		<i>(In crores of Rupees)</i>									
Major Head		Budget , 2000-2001			Revised, 2000-2001			Budget, 2001-2002			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	Revenue	18.50	12657.84	12676.34	14.80	13806.74	13821.54	25.50	14176.70	14202.20	
	Capital	178.50	150.00	328.50	150.00	300.00	450.00	181.50	200.00	381.50	
	Total	197.00	12807.84	13004.84	164.80	14106.74	14271.54	207.00	14376.70	14583.70	
1.	Secretariat-Economic Services	3451	...	5.77	5.77	...	5.75	5.75	...	5.77	5.77
	Crop Husbandry										
2.	Subsidy on imported fertilizers	2401	...	500.00	500.00	...	1.00	1.00	...	500.00	500.00
	2.01 Payment to manufacturers/ Agencies for concessional sale of decontrolled fertilizers	2401	...	4093.00	4093.00	...	4319.00	4319.00	...	5714.00	5714.00
	Fertilizer Industries										
3.	Subsidy on indigenous fertilizers	2852	...	8058.00	8058.00	...	9480.00	9480.00	...	7956.00	7956.00
4.	Indo-UK fertilizers development Programme										
	4.01 Grant to KRIBHCO for Dryland Farming Project	2852	13.00	...	13.00	9.30	...	9.30	12.20	...	12.20
	<i>Total</i>		<i>13.00</i>	...	<i>13.00</i>	<i>9.30</i>	...	<i>9.30</i>	<i>12.20</i>	...	<i>12.20</i>
5.	Other research scheme for fertilizers Development										
	5.01 Grants to PDIL for research and development	2852	4.00	...	4.00	4.00	...	4.00	2.00	...	2.00
	5.02 S & T programme	2852	0.30	...	0.30	0.30	...	0.30	0.30	...	0.30
	<i>Total</i>		<i>4.30</i>	...	<i>4.30</i>	<i>4.30</i>	...	<i>4.30</i>	<i>2.30</i>	...	<i>2.30</i>
6.	Non-plan loans to public sector undertaking										
	6.01 Hindustan Fertilizer Corporation Ltd.	6855	...	65.00	65.00	...	118.70	118.70	...	79.00	79.00
	6.02 Fertiliser Corpn. of India Ltd.	6855	...	70.00	70.00	...	143.00	143.00	...	96.00	96.00
	6.03 Projects and Development(India) Ltd.	6855	...	...	...	...	9.30	9.30	...	6.00	6.00
	6.04 Pyrites, Phosphates & Chemicals Ltd	6855	...	15.00	15.00	...	29.00	29.00	...	19.00	19.00
	<i>Total</i>		...	<i>150.00</i>	<i>150.00</i>	...	<i>300.00</i>	<i>300.00</i>	...	<i>200.00</i>	<i>200.00</i>
7.	Expenditure met from National Renewal Fund										
	Implementation of voluntary retirement scheme in PSEs	2852	...	...	...	...	...	...	10.00	...	10.00
8.	Lumpsum provision for Projects/ Schemes for the benefit of the North Eastern Region and Sikkim	4552	20.00	...	20.00	...	...	...	20.00	...	20.00
9.	Investment in Public Enterprises	4855	36.50	...	36.50	36.50	...	36.50	77.50	...	77.50
		6855	122.00	...	122.00	113.50	...	113.50	84.00	...	84.00
	<i>Total</i>		<i>158.50</i>	...	<i>158.50</i>	<i>150.00</i>	...	<i>150.00</i>	<i>161.50</i>	...	<i>161.50</i>
10.	Other Programmes	2852	1.20	1.07	2.27	1.20	0.99	2.19	1.00	0.93	1.93
	Grand Total		197.00	12807.84	13004.84	164.80	14106.74	14271.54	207.00	14376.70	14583.70
B.	Investment in Public Enterprises	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
9.01	Fertilizer Corporation of India	12855	20.00	...	20.00	20.00	...	20.00	20.00	...	20.00
9.02	Fertilizers & Chemicals Travancore Ltd.	12855	40.00	...	40.00	40.00	...	40.00	45.00	...	45.00
9.03	Pyrites, Phosphates & Chemicals Ltd.	12855	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
9.04	National Fertilizers Ltd.	12855	...	125.00	125.00	...	144.42	144.42	...	159.73	159.73
9.05	Hindustan Fertilizer Corporation	12855	80.00	...	80.00	55.50	...	55.50	60.00	...	60.00
9.06	Projects and Development (India) Ltd.	12855	1.00	...	1.00	1.00	...	1.00	1.00	...	1.00
9.07	Paradeep Phosphates Ltd.	12855	12.49	...	12.49	12.49	...	12.49	14.49	...	14.49
9.08	Rashtriya Chemicals and Fertilizers Ltd.	12855	...	600.00	600.00	...	170.00	170.00	...	170.30	170.30

	Head of Dev.	Budget, 2000-2001			Revised, 2000-2001			(In crores of Rupees)		
		Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total	Budget, 2001-2002		
								Budget Support	I.E.B.R	Total
9.09 Madras Fertilizers Ltd.	12855	25.00	...	25.00	21.00	...	21.00	21.00	...	21.00
9.10 Indian Farmers Fertilizer Cooperative Ltd.	12855	...	250.00	250.00	...	138.00	138.00	...	212.00	212.00
9.11 Krishak Bharti Cooperative Ltd.	12855	...	700.00	700.00	...	190.45	190.45	...	400.00	400.00
Total		178.50	1675.00	1853.50	150.00	642.87	792.87	161.50	942.03	1103.53
C. Plan Outlay :-										
1. Fertilizers Industries	12855	197.00	1675.00	1872.00	164.80	642.87	807.67	207.00	942.03	1149.03

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 the shortfall. The cost involved is broadly the price of imported fertilizers plus the cost of handling and distribution of the fertilizers. The selling price of imported fertilizers to farmers is controlled under the Fertilizer 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 fertilizers to farmers and the import costs to Government represents the subsidy on fertilizer imports.

2.01 Provision is for payment to the manufacturers/agencies under the scheme of sale of decontrolled Phosphatic and Potassic fertilizers at concession to the farmers. The concession would lead to balanced use of fertilizers (NPK) nutrients for better soil health and productivity. The provision for this purpose was made in 2000-01 in the Demand of Department of Agriculture and Co-operation. This has been now transferred to Department of Fertilizers.

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

4. The provision is for rain-fed farming project being implemented by KRIBHCO under ODA grant from the U.K.(EAP).

5. Grants to PDIL is intended to develop indigenous technology for catalyst development and essential technical know-how for the fertilizers industry. It includes provision for S&T work, and for development of essential know-how for production of bio-fertilizers.

6. The provision for Non-Plan loans to HFC, FCI, PDIL and PPCL are intended to enable the companies to overcome their liquidity problems, FCI and HFC are sick companies, having been referred to BIFR under SICA. PPCL has stopped all its activities.

7. Provision is for implementation of Voluntary Retirement Scheme in operating and viable units/PSUs.

8. The provision is for the projects/schemes for the benefits of North Eastern Area and Sikkim.

9. Investment in public enterprises

The equity and loanwise breakup of the Budgetary support to these enterprises and the IEER are given in Expenditure Budget Vol.I.

9.01 **Fertilizer Corporation of India(FCI)** is engaged in the production and marketing of nitrogenous and phosphatic fertilizers and some industrial chemicals. The re-organised FCI has four

major operating units namely, Sindri, Gorakhpur, Talcher and Ramagundam with a total installed capacity of 5.87 lakh tonnes of nitrogen.

9.02 **Fertilizers and Chemicals Travancore Ltd.(FACT)** is engaged in production of nitrogenous and phosphatic fertilizers, ammonium sulphate, ammonium chloride, sulphur dioxide, etc. The Company has three operating units - one at Udyogamandal and the other two units at Cochin. All the three units have installed capacity of 3.25 lakh tonnes of nitrogen and 1.32 lakh tonnes of P2O5 and 0.50 lakh tonnes of Caprolactum.

9.03 **Pyrites, Phosphates and Chemicals Ltd.(PPCL)**-Token Provision as the company has stopped all its activities.

9.04 **National Fertilizers Limited (NFL)** has five units namely, Nangal-I and Nangal-II, Bhatinda, Panipat and Vijaypur with a total installed capacity of 13.70 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, was commenced in 1997.

9.05 **Hindustan Fertilizer Corporation Ltd.(HFCL)** has five operating units namely, Namrup-I, Namrup-II, Barauni, Durgapur and Namrup-III with an installed capacity of 6.53 lakh tonnes of nitrogen. The capacity has been derated to 4.24 tonnes w.e.f. 1-11-1994.

9.06 **Projects and Development India Ltd.(PDIL)** has design engineering and consultancy service unit, a research and development division and fabrication workshop of equipment and vessels in the field of fertilizers and is assisting the fertilizer 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 fertilizer industry.

9.07 **Paradeep Phosphates Limited(PPCL)** has implemented the Paradeep Fertilizer project at Paradeep in Orissa envisaging a production of 7.20 lakh tonnes of Di-Ammonia Phosphate (DAP) 6.6 lakh tonnes of sulphuric acid and 2.25 lakh tonnes of phosphoric acid in two phases.

9.08 **Rashtriya Chemicals and Fertilizers Ltd (RCFL)** is engaged in the production of nitrogen and phosphatic fertilizers 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 10 lakh tonnes of nitrogen and 1.20 lakh tonnes of P2O5. and 0.45 lakh tonnes of K2O.

9.09 **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 fertilizers.

9.10 **Indian Farmers Fertilizers Cooperative Ltd.(IFFCO)** Based on natural gas, the project has an installed capacity of 6.68 lakh tonnes of nitrogen. has four operating units at Kandla and Kalol in Gujarat and Phulpur and Aonla in U.P.

9.11 **Krishak Bharati Cooperative Ltd.(KRIBHCO)**, a large size ammonia/urea complex has been set up in the cooperative sector at Hazira in Gujarat by the Krishak Bharati Cooperative Ltd. 10 This includes Non-Plan provision for the Office of Fertilizer Industry Coordination Committee, an attached Office of the Department of Fertilizers, grant in the field of Management Information Technology and grant for Productivity Award in the field of fertilizer industry.