

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

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

		(In crores of Rupees)									
Major Head		Budget 2008-2009			Revised 2008-2009			Budget 2009-2010			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	Revenue	154.00	30999.96	31153.96	4.01	75864.96	75868.97	4.00	49999.96	50003.96	
	Capital	46.00	0.04	46.04	46.00	0.04	46.04	196.00	0.04	196.04	
	<b>Total</b>	<b>200.00</b>	<b>31000.00</b>	<b>31200.00</b>	<b>50.01</b>	<b>75865.00</b>	<b>75915.01</b>	<b>200.00</b>	<b>50000.00</b>	<b>50200.00</b>	
1.	Secretariat-Economic Services	3451	...	12.17	12.17	...	14.43	14.43	...	17.22	17.22
<b>Crop Husbandry</b>											
2.	Subsidy on imported fertilizers	2401	...	7238.89	7238.89	...	10981.28	10981.28	...	7800.00	7800.00
3.	Subsidy on decontrolled fertilizers										
3.01	Payment to manufacturers/ Agencies for concessional sale of decontrolled fertilizers	2401	...	10847.10	10847.10	...	65351.10	65351.10	...	33600.00	33600.00
3.02	Less: Special Securities issued to Fertilizer Companies	8012	...	...	...	...	-17000.00	-17000.00	...	...	...
	<i>Net</i>		...	10847.10	10847.10	...	48351.10	48351.10	...	33600.00	33600.00
4.	Fertilizer Industries										
4.01	Subsidy on indigenous fertilizers	2852	...	12900.37	12900.37	...	19516.37	19516.37	...	8580.25	8580.25
4.02	Less: Special Securities issued to Fertilizer Companies	8012	...	...	...	...	-3000.00	-3000.00	...	...	...
	<i>Net</i>		...	12900.37	12900.37	...	16516.37	16516.37	...	8580.25	8580.25
5.	Other research scheme 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	19.99	...	19.99	19.99	...	19.99	64.99	...	64.99
8.	Investment in Public Enterprises	6855	26.01	...	26.01	26.01	...	26.01	131.00	...	131.00
9.	Investment for JVs abroad	4855	...	...	...	...	...	...	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	1.41	3.41	2.00	1.76	3.76	2.00	2.47	4.47
10.03	Capital subsidy for conversion of 4 existing FO/LSHS Plants to NG/LNG	2852	150.00	...	150.00	0.01	...	0.01	...	...	...
10.04	Post closure adjustment liabilities of PPL	3475	...	0.01	0.01	...	0.01	0.01	...	0.01	0.01
	<i>Total</i>		152.00	1.43	153.43	2.01	1.78	3.79	2.00	2.49	4.49
<b>Grand Total</b>			<b>200.00</b>	<b>31000.00</b>	<b>31200.00</b>	<b>50.01</b>	<b>75865.00</b>	<b>75915.01</b>	<b>200.00</b>	<b>50000.00</b>	<b>50200.00</b>

No.7/ Department of Fertilisers

	Head of Dev.	Budget 2008-2009			Revised 2008-2009			(In crores of Rupees) Budget 2009-2010			
		Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total	
<b>B. Investment in Public Enterprises</b>											
8.01	Fertilizers & Chemicals Travancore Ltd.	12855	13.00	...	13.00	13.00	...	13.00	34.00	...	34.00
8.02	National Fertilizers Ltd.	12855	...	154.25	154.25	...	48.05	48.05	...	550.15	550.15
8.03	Projects and Development(India) Ltd.	12855	...	4.85	4.85	...	4.65	4.65	...	5.35	5.35
8.04	Rashtriya Chemicals and Fertilizers Ltd.	12855	...	812.43	812.43	...	469.06	469.06	...	988.05	988.05
8.05	Madras Fertilizers Ltd.	12855	12.97	...	12.97	13.00	...	13.00	96.99	...	96.99
8.06	Brahmaputra Valley Fertilizer Corporation Ltd.	12855	20.00	...	20.00	20.00	...	20.00	65.00	...	65.00
8.07	Krishak Bharti Cooperative Ltd.	12855	...	685.00	685.00	...	105.00	105.00	...	497.00	497.00
8.08	Fertilizer Corporation of India (FAGMIL)	12855	...	22.40	22.40	...	22.40	22.40	...	29.01	29.01
8.09	Fertilizer Corporation of India Ltd.	12855	0.01	...	0.01	...	...	...	...	...	...
8.10	Hindustan Fertilizer Corporation Ltd.	12855	0.01	...	0.01	...	...	...	...	...	...
8.11	Pyrites, Phosphates & Chemicals Ltd.	12855	0.01	...	0.01	...	...	...	...	...	...
<b>Total</b>			<b>46.00</b>	<b>1678.93</b>	<b>1724.93</b>	<b>46.00</b>	<b>649.16</b>	<b>695.16</b>	<b>195.99</b>	<b>2069.56</b>	<b>2265.55</b>
<b>C. Plan Outlay :-</b>											
1.	Fertilizers Industries	12855	180.01	1678.93	1858.94	30.02	649.16	679.18	135.01	2069.56	2204.57
2.	North Eastern Areas	22552	19.99	...	19.99	19.99	...	19.99	64.99	...	64.99
<b>Total</b>			<b>200.00</b>	<b>1678.93</b>	<b>1878.93</b>	<b>50.01</b>	<b>649.16</b>	<b>699.17</b>	<b>200.00</b>	<b>2069.56</b>	<b>2269.56</b>

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 fertilisers 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 Fertilisers 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 Area and Sikkim.

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

8.01 **Fertilisers 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 Fertilisers 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, was 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 P<sub>2</sub>O<sub>5</sub> and 0.45 lakh tonnes of K<sub>2</sub>O.

**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 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. 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.

8.09 The provision is for Fertilizer Corporation of India Ltd.

8.10 The provision is for Hindustan Fertilizer Corporation Ltd.

8.11 The provision is for Pyrites, Phosphates and Chemicals Ltd.

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, grant in the field of Management Information Technology, and write off of Govt. of India's loans, interest and penal interest due from HFC, FCI, PDIL, MFL and FACT.