

NFL to focus on fertilizers beyond Urea

With a total annual installed capacity of 35.68 LMT of Urea and a share of about 15.5% of total Urea production in the country, National Fertilizers Limited (NFL) is the leading government company in fertilizer sector. NFL has started providing a number of fertilizers to farmers to promote balance fertilization. Primarily a urea manufacturing company, NFL has made successful foray into the marketing of other fertilizers like DAP, MoP, Bentonite Sulphur along with their core product, Kisan Urea. **Manoj Mishra, Chairman and Managing Director, NFL spoke to Anil Sharma on various issues concerning the company as well as the fertilizer industry.**

How has the performance of the company been in the last fiscal year 2015-16?

NFL produced 38 lakh MT of Urea with an overall capacity utilization of 118% in 2015-16, which is highest ever. This accounts for 15.5% share of the total Urea production of 245 LMT of the country, which is also highest ever. Though the sale of Urea during 2015-16 was marginally lower compared to previous year due to deficit rainfall, even then the company achieved the ever highest Urea sale of 19.16 lakh MT in Rabi season during 2015-16.

The Company has also recorded ever highest sale of 55,199 MT of Nitric Acid during 2015-16. Further, the company, after a gap of 20 years, imported and sold 33,000 MT of DAP during 2015-16.

The company, during the year, also commenced multiplication program for production of certified seeds and grown 8000 quintals of seeds for wheat which are under processing and would be ready for sale under its own brand during RABI season this year.

All this has resulted in improved profitability of Rs. 197 crore against Rs. 26 crore in the previous year.

What are your plans for 2016-17?

During 2016-17, NFL has committed to achieve production of 38 Lakh MT of Urea under MoU signed with Govt. of India. In line with the long term vision of the company to provide all fertilizers to the farmers under single window, the company, during the current year, has

planned to import and sale about two Lakh MT of non-Urea fertilizers i.e. DAP, MOP, NPK and Bentonite Sulphur and action is already in full swing.

The company is also looking forward to improve its trading business and intend to add some new products such as Water Soluble Fertilizers, Zinc Sulphate etc.

Further in order to meet the growing requirement of Bentonite Sulphur in the regions with Sulphur deficiency in soil, company is in the process of setting up a plant at Panipat Unit to manufacture 8000 MT per annum of Bentonite Sulphur.

The company is also actively working on its plans to implement energy saving schemes at all its five units in a time bound manner to meet the strict energy norms fixed by Government for 2018-19 as per new Urea policy 2015.

The Company has a vision plan for achieving the turnover of Rs. 15,000 crore in the next five years.

Since you are also the Chairman of Ramagundam Fertilizers & Chemicals Limited (RFCL), please share the progress of your upcoming Ramagundam revival project.

NFL has formed a joint venture company "Ramagundam Fertilizers & Chemicals Ltd." (RFCL) with Engineers India Limited (EIL) and Fertilizer Corporation of India (FCIL) for setting up of new gas based urea plant at Ramagundam in Telangana with a capacity of 1.27 million Tonnes per annum. This plant is going to be the first Urea Plant to be revived by Government of India. Zero date of the



project has been declared on 25th September 2015 and the plant is envisaged to be commissioned in 36 months from the zero date. Anticipated Capex of the project is Rs 5254 crore.

What will be the source of gas for this project?

Regarding gas connectivity for RFCL project, we have signed a Gas Transportation Agreement (GTA), with GITL (GSPC India Transco Ltd), a subsidiary of Gujarat State Petronet Limited (GSPC) to supply 2 million metric standard cubic metres per day (mmscmd) of natural gas for 20 years.

As per the terms of GTA, GITL would transport natural gas from Mallavaram field in AP to RFCL's plant at Ramagundam through 1,881-km Mallavaram-Bhopal-Bhilwara-Vijaipur Natural Gas Pipeline (MBBVPL) being developed by GITL. Regarding allocation of gas, Ministry of Petroleum and Natural Gas (MoPNG) has been requested to allocate gas to this project.

Are you in favour of direct transfer of subsidy benefit to the farmers?

Under Direct Benefit Transfer (DBT),

the fertilizer subsidy will be directly transferred to the bank accounts of farmers, instead of routing through manufacturing/importing companies under existing system. This will lead to better targeting of subsidy and thereby resulting in saving in overall subsidy outgo of the Government. DBT to farmers will also help the industry in tiding over the problem of liquidity crunch in addition to checking leakages.

Pilot projects for Direct Benefit Transfer (DBT) shall be started soon in some of the Districts in country NFL shall also be allocated some District and we are looking forward to implement the project as per the plans of Government of India.

How have the farmers responded to Neem Coated Urea?

Farmers are happy with the use of Neem Coated Urea as this helps in slow release of Nitrogen to plants thus promoting Urea use efficiency leading to higher yields. Moreover, this value added product has anti pest qualities, which makes it popular among farmers.

I am proud to share that NFL was the first company in the Fertilizer Industry which was permitted by Government of

India to produce & marketing Neem Coated Urea in the year 2004. The company has been manufacturing Neem Coated Urea since long before it was declared mandatory by the Government in the year 2015.

What steps are being taken by NFL in improving soil health conditions?

NFL has static as well as mobile soil testing labs. Through these labs, about 40,000 soil samples are analyzed annually. Based on the results of soil tests, soil health cards are distributed to farmers. Awareness among the farmers is spread to follow the recommendations, which improves not only the soil conditions but also productivity.

How is NFL ensuring balance fertilization and improving farm productivity?

As I have already said that along with urea, we have been providing other fertilizers like DAP, MoP to farmers. Recently, the price of non urea fertilizers have also reduced resulting in lower price gap between urea and non urea fertilizers. This will encourage farmers to use appropriate fertilizer as per the need of the soil resulting in balanced fertilization and improved productivity.