



**Road Map
for
redefining**

Role and Functions of CPSEs

(i) - Efforts to promote exports and to encourage import substitution? (Slide-I)

Our country is the net importer of Urea. NFL, being primarily in to production of Urea, 100% of its production is consumed in the country itself and therefore there is no scope of Urea export under current scenario. However, 4~5 years down the line, after revival of the existing closed Urea plants, our country may turn in to a net exporter of Urea.

NFL has made efforts in the following areas to cut down the imports and saving foreign exchange:

- ✓ Under make in India drive of Gol, NFL is currently reviving closed Urea Plant at Ramagundam in Joint Venture mode that is expected to be commissioned by December 2018. After commissioning, it shall contribute to cutting down Urea imports.
- ✓ Setting up a Bentonite Sulphur Plant at Panipat Unit with an annual capacity of 25000 MT. It shall help in reducing the import of this product.
- ✓ Setting up a strategic technology based Di-Nitrogen Tetroxide production plant at Vijaipur for ISRO.
- ✓ Exploring production of Murate of potash from subsoil bitters available in Little Raan of Kutch as a substitute to 100% Imported MoP.



Efforts in NFL to promote exports and to encourage import substitution? (Slide-II)

- ✓ Promoting procurement of indigenous spares from domestic vendors / SMEs as import substitution to the proprietary spares of imported equipment.
- ✓ Develop manpower to look after the Operation and Maintenance of imported equipment.
- ✓ Supply of Expert manpower abroad to provide services in project commissioning, operation & maintenance thus earning foreign exchange.

ii) - Sharing of best practices between CPSEs

1. Best practices are shared by NFL with other CPSEs in various areas such as:
 - ✓ Plant Operations
 - ✓ Bagging plant operations
 - ✓ Plant shutdown
 - ✓ Project Commissioning
 - ✓ Tendering system
 - ✓ Manufacturing of new Products
2. Fertilizer CPSEs share their pool of knowledge / experiences /bottlenecks / other challenges & constraints along with remedial actions in various forums organized by FAI / IFA.
3. To further enhance the sharing, various groups of CPSEs may be formed on social media for exchange of good ideas / practices.

iii) - The need for consolidation of more than one CPSE s

- ✓ Further move for consolidation of Fertilizer CPSEs may not be favorable for better governance and may also go against healthy competitive practice.
- ✓ In case of Fertilizer CPSEs, consolidation was already done long back when NFL & RCF, two major profitable Fertilizers CPSEs were set up with more than one Unit to cater the fertilizer requirement in different part of the country. Further both the companies are further consolidating / expanding their operations through Joint Venture Company.
- ✓ Merger of small loss making Fertilizer CPSEs with NFL / RCF may not be synergic and therefore not advisable.
- ✓ Marketing rights of Urea to be produced by Joint Venture Company (HURL) through revival of closed Urea plants of FCIL/HFC at Gorakhpur, Sindri and Barauni may be given to NFL and RCF.
- ✓ Marketing rights of Urea from 2 plants of HURL i.e. at Gorakhpur and Sindri may be given to NFL to leverage the marketing network of NFL in UP and Bihar.

iv)-The Similarities & differences in HRM policies between Government and CPSEs? (Slide-I)

Sr.	Similarities	Dissimilarities
1	Age of Retirement (60 yrs.)	Pay Scales
2	Tenure of Pay Revision (10 yrs.)	Leave Rules
3	Reservation Policy	Post-retirement Benefits (CGHS Medical Rules after retirement and better Pension benefits for Govt. Empl.
4	Transparency in Recruitment	Central DA vs. Industrial DA
5	Conduct Rules	Levels of Hierarchy
6	5 Cs (CBI, CAG, CVC, CIC & Court)	Provision of foreign training
7		GPF vs. CPF
8		Provision of Deputation of Central Govt. Employees in CPSE not vice versa.
9		Promotion System (ACR based in case of Central Govt. employees)
10		Affordability clause for pay revision in case of CPSEs.
11		In service Medical rules
12		Performance Related Pay
13		Non-taxable HRA in case of Govt. Employees.

The Similarities & differences in HRM policies between Government and CPSEs? (Slide-II)

It is underlined that

- ✓ The post-retirement benefits to the Government employees are more attractive as compared to employees of CPSEs.
- ✓ Affordability clause as a pre-requisite condition to pay revision of CPSEs employees under 3rd PRC may restrict pay revision in many CPSEs particularly Fertilizer CPSEs which operates on Cost plus model.
- ✓ Chief Vigilance Officer (CVO) deputed at CPSEs should be from another CPSE only as they would be conversant with nitty gritty of the functioning of CPSEs.

v)-Efforts made by NFL to reduce Wasteful Expenditure (Slide-I)

At NFL, it is ensured that there is no wasteful expenditure on any account. However, there are certain costs / expenditures which are beyond control of NFL such as:

- ✓ Interest on borrowings for working capital due to delay in receipt of fertilizer subsidy from Gol.
- ✓ Tripping of plants due to external power failure
- ✓ Shutdown / low load operation of the plants due to gas limitation.
- ✓ Payment of higher freight due to mixing of stones with coal received from coal companies.
- ✓ Overloading of coal by Coal Companies leading to fines and penalties levied by Railways.
- ✓ Under recovery of Freight.
- ✓ Incurrence of Demurrage.
- ✓ Higher inventory carrying cost due to non-availability of Railway wagons.

Efforts made by NFL to reduce Wasteful Expenditure (Slide-II)

Following measures are undertaken / initiated by the company to cut down the cost / expenditure:

- ✓ Implementation of energy saving schemes at plants.
- ✓ Implementation of ERP, Paperless office and on line approvals
- ✓ Conduct periodical Energy Audits at plants and implement the recommendations.
- ✓ Conduct regular review meetings on Inventory Control and Cost control.
- ✓ Virtual meetings through Video conferencing
- ✓ Replacement of conventional lighting with energy efficient LEDs
- ✓ Rationalization of manpower
- ✓ Electronic mode for communication / E-procurement
- ✓ Disposal of obsolete and surplus inventory.
- ✓ Comprehensive Policy on Inter Corporate Deposits between CPSEs to reduce the Interest cost

vi)-Steps need to be taken to improve the efficiency of NFL (Slide-I)

- ✓ ERP implementation for improved visibility, simplification and to avoid repetition of work.
- ✓ Skill development and Re-skilling of employees to take more responsibility.
- ✓ Uniform codification of inventory across the Company.
- ✓ Out sourcing of few services which may render efficient use of resources.
- ✓ Utilization/ disposal of surplus & redundant assets.
- ✓ Increase the products portfolio to enhance utilization of existing manpower, assets and infrastructure.
- ✓ Increased automation to reduce human intervention for optimum operation of the plants.
- ✓ Global Documentation Management System to manage and facilitate access to data / information.
- ✓ Rationalization of manpower through consolidation of plant verticals.
- ✓ Joint procurement by similar CPSEs to take benefit of discount on bulk procurement.

Steps need to be taken to improve the efficiency of NFL (Slide-II)

- ✓ Entering long term MoUs with overseas suppliers for procurement of imported fertilizers.
- ✓ Cutting down the procedural delays and Bureaucratic hurdles.
- ✓ Expeditious redressal of complaints of employees.
- ✓ Improve punctuality of Employees through an effective access control / biometric system.
- ✓ More autonomy / freedom to Management & Employees.
- ✓ Separate contract / commercial department to ensure dedicated attention of Engineers in plant operation & maintenance.



vii)-Interaction with young students by NFL

Yes, NFL has a policy for offering internship to the students.

NFL interacts with young students by inviting them as Vocational trainee, Graduate apprentice trainee under Trade Apprentice Act.

The following steps may be taken to enhance the interaction with young students:

- ✓ The experienced officials of NFL may be sent as guest faculty to various Colleges / Universities.
- ✓ Summer trainees from Agriculture Universities / Colleges may be invited for training / projects in Marketing.

viii)-Activities under CSR (Slide-I)

The CSR activities in the following areas are undertaken by NFL:

- ✓ Children education
- ✓ Vocational training programs for Women
- ✓ Construction of Toilets / Bio-toilets in Girls Schools under “Swachh Bharat Abhiyan.
- ✓ Installation / Distribution of Solar water heating systems, Solar lights & lanterns etc.
- ✓ Children & Women health Camps
- ✓ Animal health camps
- ✓ Water Conservation & Harvesting
- ✓ Stop Dams
- ✓ Afforestation
- ✓ Distribution of aids, devices & artificial limbs for disabled persons.

Activities under CSR

(Slide-II)

- ✓ No common CSR fund is required as CSR activities are required to be undertaken by CPSEs in their adjoining areas of operation and a common CSR fund would not suffice the purpose. CSR at bigger scale is the function of the Government.
- ✓ Yes, more than one theme can be chosen by CPSEs for CSR activities each year for concerted efforts. For example, NFL during 2015-16 had undertaken CSR activities on the theme of building the Toilets in schools under Swachh Bharat Abhiyan of GoI.
- ✓ NFL proposes to undertake CSR activities during 2018 on “**Distribution of City Compost to poor farmers**” as one of the themes for improving the soil quality and growth in the crops.

ix)-Efforts made for upgradation of technology in NFL (Slide-I)

- ✓ Revamp of fuel oil based 3 plants for changeover of feed stock from fuel oil to natural gas.
- ✓ Upgradation of Coal based Boilers for support fuel from Fuel oil to gas.
- ✓ Setting up of Gas Turbines Generators with HRUs at Panipat, Bathinda & Nangal in place of Coal based Steam Turbines Generators at Panipat & Bathinda / External Power from BBMB at Nangal.
- ✓ Installation of Distributed Control System (DCS) for operation of the plants.
- ✓ Installation of new natural draft prilling towers at Panipat and Bathinda Units.

Challenges being faced to undertake Technology upgradation

- ✓ Technology upgradation at Fertilizers CPSEs requires huge investment and without adequate dispensation and favorable policy framework from GoI, this investment may be commercially unviable.
- ✓ In order to meet the strict energy norms applicable from 01-04-2018 under NUP-2015, NFL requires to invest around Rs. 920 crore for implementation of energy saving schemes at all the plants which requires suitable dispensation from GoI to make it commercially viable. NFL has already sought the dispensation from GoI.



x)-Efforts made to promote Digital India by NFL (Slide-I)

- ✓ All payments and receipts at NFL are through Digital mode
- ✓ All information to stakeholders made available on website / thru E-mail.
- ✓ Employee's service portal available for on line application of leave, medical bills, TA bill etc.
- ✓ Social media like Facebook, Whatsapp and Twitter used for information on various companies' activities.
- ✓ Training programs organized to improve Computer literacy.
- ✓ The shops in NFL Township are well equipped to receive payments through credit / debit card, Paytm and Bhim Application.
- ✓ Regular counseling with Employees and their family to buy through digital means.

Efforts made to promote Digital India by NFL

(Slide-II)

In order to further promote the Digital India move of GoI the following may be ensured:

- ✓ Adequate Internet connectivity
- ✓ Ensuring 24x7 power availability
- ✓ Waiver of service charges on use of Debit/Credit Cards
- ✓ Enhance computer literacy
- ✓ Reducing human intervention

xi)-Residential colonies of NFL to be developed as mini smart cities? (Slide-I)

Yes, Residential colonies of NFL can be developed as mini smart cities since many of the core infrastructure elements required for a smart city are already available at NFL:

Sr.	Requirement	Availability
1)	Core Infrastructure:	
a)	Adequate Water Supply,	✓
b)	Assured 24x7 Electricity Supply,	✓
c)	Sanitation including Solid Waste Management,	✓
d)	Efficient Urban Mobility and Public Transport,	NA
e)	Affordable Housing	✓
f)	Robust IT Connectivity and Digitalization,	✓
g)	Good Governance, especially e-Governance and Citizen Participation	NA
h)	Sustainable Environment,	✓
i)	Safety and Security of Citizens particularly women, children and the elderly	✓
J)	Health and Education.	✓

Residential colonies of NFL to be developed as mini smart cities? (Slide-II)

Sr.	Requirement	Availability
2)	Smart Solutions:	
a)	Smart Energy / Water Meters & Management	To be installed
b)	Renewable Energy	To be developed
c)	Green Buildings	✓
d)	Waste to Compost	✓
e)	Waste to Energy	
f)	Recycling and reduction of chemical waste	✓
g)	Water Quality Monitoring	✓
h)	Skill development centers	✓
i)	Video Crime Monitoring/ CCTV	✓
j)	Efficient Transport Model	NA

xii)-NFL's role in Flagship schemes of Government (Slide-I)

Startup India:

- ✓ Policy for mandatory procurement from Startup ventures
- ✓ Investment in Startup Ventures

Make in India:

- ✓ Reviving closed Urea plant at Ramagundam in Joint Venture mode to enhance indigenous Urea production.
- ✓ Setting up Bentonite Sulphur Plant at Panipat to cut down import of this product.
- ✓ Setting up Manufacturing plant of N₂O₄ for ISRO at Vijaipur Unit
- ✓ Exploring production of MoP through subsoil bitters available in LRK.
- ✓ Exploring setting up an Agro Chemical plant at Bathinda Unit
- ✓ Promoting procurement from domestic vendors / SMEs.

NFL's role in Flagship schemes of Government (Slide-II)

Innovation:

- ✓ NFL has a comprehensive R&D policy in place.
- ✓ Developing and manufacturing different strains of Bio-fertilizers
- ✓ Developing applicator for application of liquid fertilizer (UAN)
- ✓ Keeping separate budget for R&D activities.

Zero defect:

- ✓ New prilling Tower based on Natural draft being constructed at Panipat & Bathinda Units to reduce Urea dust with improved size & quality of Urea prills.

xiii)-Establishing common Research Centers

- ✓ Yes, a common Research Centre may be established for Fertilizers and Chemical Industry.
- ✓ In order to promote research in the field of fertilizers, Indian Council for Fertilizers and Nutrient Research (ICFNR), an Institution is already set up exclusively for promotion of research in fertilizer is established by GoI. The objectives of this council are to share R&D resources of the fertilizer companies and other reputed labs / institutes in the country.
- ✓ PDIL, a consultation CPSE in fertilizer sector may be nurtured as R&D hub for the benefit of all the fertilizer companies in Public, Cooperative and private sector.

xiv)-Monitoring mechanism

- ✓ Suitable targets for these efforts may be developed for effective monitoring.
- ✓ The progress on these efforts can be monitored / reviewed on regular basis by NFL's management and by DoF.



xv)-NFL's contribution to the development of the country

- ✓ Toward ensuring food security in the country and cut down the imports of Urea thus saving foreign exchange.
- ✓ Reducing subsidy burden on GoI by operating the plants on consistent and optimum basis.
- ✓ Technocrats from CPSEs may be considered for deputation in Ministries on reverse deputation basis to contribute in decision making process.

xvi)-Strategic importance of NFL's products

Sr.	Product	Sector / Applications
1	Urea	Agriculture
2	Nitric Acid	Metal, Medicines, Space etc.
3	Ammonium Nitrate	Mining, Insecticides, Medicines
4	Sodium Nitrate	Chemicals, Medicines, Dye, Printing etc.
5	Sodium Nitrite	Oxidizing agent, Fertilizers, Glass Manufacturing, Chemicals, Explosives Medicines

xvii)-Targets to be achieved by 75th year of independence (2022) by NFL

Item	UM	2021-22
Own product Line		Urea, Bio-Fertilizers, Bentonite Sulphur, Seeds, Nitric Acid, Ammonium Nitrate, Sodium Nitrate & Sodium Nitrite, Insecticides
Urea Production including Production from JV (RFCL)	LMT	50
Sale of own Fertilizers, trading of imported fertilizer & Agro-products	LMT	72
Total turnover	Rs. Cr.	15000
Profit (PBT)	Rs. Cr.	500
Status		Navratna 27

xviii)- Other suggestions to improve the functioning of NFL

- ✓ Timely release of fertilizer subsidy by Gol.
- ✓ Timely resolution of long standing subsidy related and other issues pending with DoF.
- ✓ Re-deployment of surplus manpower at Nangal.
- ✓ The governing bodies like Central Pollution Control Board (CPCB) should be flexible in allowing disposal of waste (generated before new norms imposed) in a scheduled time frame.

