

No. I&M -3(10)/2006
Government of India
Planning Commission
(Industry Division)

Yojana Bhawan, New Delhi-1
29th May, 2006

Subject: Constitution of a Working Group on Fertilizer industry for the Eleventh Five Year Plan (2007-2012).

In the context of the Eleventh Five Year Plan (2007-2012), it has been decided to set up a Working Group on Fertilizers. The terms of reference and composition of the Working Group are: -

1.1 TERMS OF REFERENCE

1.1.1 To review the status of the industry upto and during the Tenth Plan period along with an analysis of growth in demand, demand-supply gap, raw materials and infrastructural limitations, level of energy efficiency in production compared to best units in the international level and impact of policy changes made during the period;

1.1.2 To review and suggest measures on the following issues:

- i) efficient use of fertilizers;
- ii) agronomical importance of low analysis fertilizers; specially SSP
- iii) deficiencies of soil in nutrients other than NPK;
- iv) production and use of bio-fertilizers;
- v) production of slow-release fertilizers; and
- vi) declining response ratio of the soil to the fertiliser application.

1.1.3 To assess the region-wise/state-wise fertilizer demand-supply for the Eleventh Plan and beyond (in the perspective of 15 years);

1.1.4 To suggest the manner in which to meet the fertilizers demand, total and region-wise based on a critical techno-economic analysis of buy-versus-make options or strategic reasons and to suggest optimum level of indigenous capacity addition, after assessing the possible joint ventures by companies in countries having comparatively cheaper feedstock/ energy sources; and to examine the need to proactively pursue joint ventures of Indian entities abroad.

1.1.5 To assess the requirement of various inputs and infrastructural facilities required during the next five years to fill the gap between demand and supply as far as possible and in the perspective of 15 years. This should also throw light on strength and weaknesses of our domestic industry that need strengthening;

1.1.6 Feedstock limitations in general and measures to sustain the pace of growth in domestic production of fertilizers;

1.1.7 To assess the health of the fertilizer industry particularly PSEs and to suggest measures for improvements and mobilise the required investment.

1.1.8 To assess the need for revival of closed PSUs, particularly with reference to the need for having production capacities in the eastern part of the country. To assess the year-wise investment

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required to be made by the public sector, cooperative and the private sector fertilizer units for augmenting their production capacity or modernisation including investments for change-over by the existing naphtha/FO(Fuel Oil)/Low Sulphur Heavy Stock (LSHS) units into gas based production.

- 1.1.9 (i) To assess the current status of research and development in the fertilizer sector and areas of strength and weakness including industry's linkages with institutions for R&D and to identify new thrust areas for R&D; (ii) to quantify fund requirement for R&D and means to source them and (iii) also suggest measures for improving the industry-institutional linkage for R&D.
- 1.1.10 To assess the need for a regulatory body under FCO for fast track approval of new products.
- 1.1.11 To review the present status of various taxes/duties, state-wise, on fertilizers/raw materials and suggest measures for their rationalisation.
- 1.1.12 To make any other recommendations that may be considered appropriate for increasing efficiency, reducing cost and import, etc.

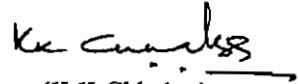
2. COMPOSITION OF WORKING GROUP

1. Secretary, Department of Fertilizers(DOF)	Chairman
2. Dr. Arvind Virmani, Principal Adviser, Planning Commission	Member
3. Joint Secretary(Fertilizers), Department of Agriculture & Cooperation	Member
4. Executive Director, Member Fertilizer Industry Coordination Committee	Member
5. Joint Secretary, Ministry of Petroleum & Natural Gas	Member
6. Representative of Ministry of Railways	Member
7. Representative of Ministry of Shipping & Road & Highways	Member
8. Joint Secretary (A&M), DoF	Member
9. Joint Secretary, Plan Finance-II	Member
10. Adviser (I&VSE), Planning Commission	Member
11. Representative of Planning Commission (Agriculture Division)	Member
12. Representative of Planning Commission (PPD)	Member
13. Representative of Planning Commission (PAMD)	Member
14. Director-General, Fertilizer Association of India	Member
15. Chairman & Managing Director, PDIL	Member
16. Managing Director, IFFCO	Member
17. Managing Director, KRIBCHO	Member
18. Shri Rakesh Jain, MD Indo-gulf Fertiliser Complex, Jagadhispur	Member
19. Representative of ONGC, Dehradun	Member
20. Representative of GAIL, New Delhi	Member
21. Chairman & Managing Director, NFL	Member
22. Chairman & Managing Director, RCF	Member
23. Chairman & Managing Director, GSFC, Baroda	Member
24. Executive Director, FICC, DoF	Member
25. Shri Suman Bery, DG National Council of Applied Research, New Delhi.	Member
26. Dr. Ahmad Masood, former Adviser PAMD	Member
27. Shri B.K. Tiwary, FB-25, Lajapatnagar, Sahibabad	Member
28. Joint Secretary(Fertilizers), DoF	Member-Secretary

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3. The Working Group may co-opt such official(s) or non-official(s) as member of the Group as considered necessary. The Working Group may also constitute sub-group(s) if so desired.
4. The expenditure on TA/DA in connection with the meetings of the Committee will be borne by the parent Department/Ministry to which the official belongs. The Non-official members of the Committee will be entitled to TA/DA as permissible to Grade-I Officers of the Government of India and this expenditure will be borne by the Planning Commission.
5. The Working Group will submit its report within three months time to the Chairman of the Steering Committee on Industry. The working group will be serviced by the Department of Fertilisers.
6. Dr. R.K.Pradhan, Research Officer, Planning Commission (Room No 223, Yojana Bhavan, New Delhi-1, Tel 23096666 will act as *nodal officer* for the Working Group and any further communication in this regard may be made with the nodal officer.



(K.K.Chhabra)

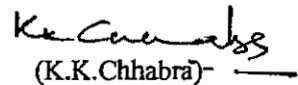
Under Secretary to the Govt. of India)

To

Chairman and all the Members including Member Secretary of the WG

Copy to

1. PS₄ to DCH/MOS (Planning)/Member-Secretary, Planning Commission.
2. All Principal Advisers/Advisers/HODs in Planning Commission.
3. Prime Minister's Office, South Block, New Delhi.
4. Cabinet Secretariat Rashtrapati Bhavan New Delhi
5. Information Officer Planning Commission
6. Joint Secretary (Administration) Department of Fertilisers.
7. Controller of Accounts, Department of Fertilisers.



(K.K.Chhabra)

Under Secretary to the Govt. of India)