

71st INDEPENDENCE DAY CELEBRATIONS AT MFL

Dear MFLers:

It is now 71 years since we got freedom from the British Rule through Ahimsa means. Because of the hard struggles of our forefathers we are now able to enjoy the freedom and breathe fresh air. The Indian Independence Day is celebrated in all parts of the country with fervent zeal and patriotism. MFL, in its 51st year of operations, has been celebrating with fanfare since inception. It will be pertinent to discuss about independence, freedom and our duties to the Nation at large as a good citizen and as a responsible family member at the domestic/social level.

Freedom does not come alone. It comes with responsibility. Freedom also does not mean that one can do whatever he or she likes. One is bound by rules and regulations. To retain freedom for ever, one has to control one's behavior, obey laws, follow rules. All should sacrifice their short term gains but concentrate on long term goal.

MFL Plants have just completed Annual Turnaround and production of Urea / NPK commenced in first week of August, slowly and slowly we have reached 108% capacity utilization and reached near 500 MTPD 17:17:17 production. Now we have to optimize urea energy while maintaining the production level and we need to plan for start of 2nd NPK train and decrease nutrient losses from plant.

You must be aware that your plant will be converted to gas based plant in next year.

- MFL will enter into Gas Transmission Agreement with M/s IOCL shortly for R-LNG procurement for Feed Stock Conversion Project (supply of R-LNG expected by end 2018)
- Civil and Structural jobs are in progress for Feed Stock Conversion Project.
- Old Ammonia Storage Tank was decommissioned, inspection was carried out and necessary repairs are in progress.
- Advanced Process Control System was implemented in Urea Plant during 1st week of April 2017. Energy reduction achieved 0.054 Gcal/MT.

Fire & Safety and Environment :

- As on July 31, 2017, we have achieved 1175 days of safe operation from April 11, 2014. Previous best record of accident free operation was 645 days from 6.3.1999 to 9.11.2000.

Production Planning :

- **During last year 2016-17 Ammonia** production was 2,75,330 MT with energy level of 10.191 Gcal/MT.
- **And Urea** production was 4,68,438 MT i.e. 96.2 % capacity at the energy level of 7.460 Gcal/MT, which is 2nd lowest years energy level this was after surpassing energy of 7.492 Gcal / MT achieved during the FISCAL year 2010-11.
- **NPK** Production was 48,895 MT.

PRODUCTION DEPARTMENT

- The TAR 2017 activities commenced from 29.06.2017 and critical jobs like hydro-jet cleaning, re-tubing of Exchangers, statutory Inspection of Boilers etc., were carried out. Ammonia & Urea Plants Production commenced on 30.07.2017 and 02.08.2017 respectively.
- It is noteworthy to mention that despite severe water crisis which is currently faced, the Plant sustains production with Ammonia & Urea load around 84% and 105% respectively with TTP & RO plant treated waters.

MAINTENANCE DEPARTMENT

- It is imperative to inform you that during the Dec 2016 Vardah Cyclone hit, MFL's Urea Reactor-B Gasket failure was encountered during start-up. No spare was available and replacement with new gasket was obligatory. The removed gasket was found in warped condition. Under such circumstances, MFL Maintenance crew took an informed decision duly rectifying the removed gasket with the help of local vendor. The plant operation was back on Jan 19, 2017. Hence, Maintenance team is ought to receive applause from all of us.
- There was a problem in Boiler-II Bank Zone Refractory during TAR in July 2017. It was rectified with the help of local vendor. This has increased Boiler capacity from 50 to 55T Per Hour and brought down the stack temperature considerably, leading to energy conservation.
- During TAR 2017, Cooling Water Pump Motor Insulation failure was discovered and the same was rectified in a short span of 5 to 7 days. It worth mention here that the pump is of special type Motor of 3.3 KVA Scorch Make and attending problem in such motor requires technical expertise. This was the first time the CW Pump Motor was attended for Maintenance since inception. This was successfully done by Maintenance crew with the help of local vendor and hence it won the merits of rave review from all of us.

MARKETING HIGHLIGHTS

MFL has the extensive retail dealer network in South India, catering to the needs of farmers.

- Sold 114443.30 MT of Vijay NC Urea for the period Apr –Jul 2017. Achieved 10.56 % of territory Urea sales against 10.22% of CPLY. Considering the prevailing Agricultural seasonal conditions our performance is quite commendable.
- Sold 26,397.10 MT V 17-17-17 for the period Apr – Jul 2017 and planning to sell around 1,00,000 MT for the year 2017-18. The market share is 3.11%
- Moved 127360.00 MT of all products for the period Apr –July 2017.(V NC Urea 98565.20 MT and 28794.80 MT of V17-17-17). The Rail Road Ratio is 68:32 for Urea.
- As a conscious Public Sector Undertaking, MFL is in the forefront of any GOI mission on farmer welfare schemes and implemented the following special schemes:
 - ✓ Established “Kisan Suvidha Kendra” (Model Retail Outlet) at Ikkadu kandigai, in Tiruvallur Dist of Tamil Nadu on 29.11.2016. Farmers are provided with quality agro inputs at MRP rate. Services like Soil sample analysis, Fertilizer recommendation, will be available in the counter. Periodical farmer meetings, weather forecast etc. will be undertaken. Mini Soil Testing lab is being installed
 - ✓ One more KSK is established in Gangavathi, Karnataka during Aug 2017.
 - ✓ Nine more KSK’s are planned during 2017-18 in all the States.
 - ✓ Under “Swachh Bharat Mission”, marketing of city Compost, a product from Municipality waste has been undertaken and during 2017-18 it is planned to sell 10000MT in our marketing territory.

- ✓ In order to promote electronic mode of transactions, participated and sponsored the "Digi Dhan Mela" conducted by GOI at Bengaluru, Vijayawada and other places in South India.
- ✓ Under Direct Benefit Transfer (DBT) implementation, MFL is actively involved in training the retailers. Installation of 1410 PoS machines as per the DOF allotment in Southern States. Contributing nearly Rs 2.4 crores for the above mission.
- ✓ Conducted 15 DBT training programs to retail dealers in order to implement Direct Benefit Transfer concept wherein the subsidy is directly delivered to the real beneficiary during Apr –Jun 2017.
- ✓ Continuously Imparting knowledge to farmers on use of eco-friendly products for soil health, soil fertility and re-vitality of soil health by means of Direct farmer contact, Soil sample Collection, Method demonstration and farmer seminar in coordination with State Agricultural extension departments.

PERSONNEL & ADMINISTRATION

- Departmental Promotion Committee (DPC) has been constituted for promotion of Supervisory Employees. Promotions were already given for Chief Managers (E6) and Manager (E5) positions for the years 2014-2017.
- Revised Medical Policy Implemented for the welfare of all the Employees.
- Management has granted one golden jubily increament to all employees.
- Non-Supervisory Promotion Policy is in the final stage of completion. A draft Non Supervisory Promotion Policy was given to Unions for their acceptance

- Despite financial constraints, following CSR activities were carried out during 2016-17.
 - Notebooks & Bags were distributed to Government School students in Bellary of Karnataka State.
 - For celebrating Diwali Cash grant was given to Mahatma Gandhi Leprosy Rehabilitation Society at Salem.
 - Regular supply of potable water through pipelines from MFL to Harikrishnapuram (Manali), a neighbourhood village (around 500 families) is ensured.
 - Cleaning and deepening of Pond at Kolathurpalayam village in Coimbatore district has been carried out.
- Exit Interview of just retired employee, Leave Bank and, revised Medical Policy for Retired Employees will be implemented soon.

FINANCE & ACCOUNTS

- MFL has been certified by Comptroller & Audit General of India, with 'NIL' Comments on the Annual Accounts of MFL for the year 2016-17. This is a 12th consecutive year of certification by CAG which once again proves that MFL adheres to the statutes in true spirit.
- For the Financial Year 2016-17, MFL has ended up with a loss of Rs.23.31 Cr. as compared to 189.54 Cr. last year, owing to the production loss during the period of 'Vardah Cyclone' in December 2016 and loss of production of complex fertilizers for 35 days due to raw material limitation and maintenance jobs.

We have following Vision of MFL & it may be christened as VISION 2025:

Tasks before MFL which is moving towards its 60th Anniversary in 2025:

- Continuous & safe running of the existing Plants – both Urea and running all three train of NPK Units with load factors over 100%.
- Completion of Gas Conversion Project and keep MFL Plant ready for receiving Gas from IOCL during the second half of 2018.
- Implementation of Energy Efficiency project for improvement in energy consumption of urea around 6 MKCAL/MT.
- Achieving Nutrient efficiency of above 96% for all three nutrient in NPK plant.
- Preparing of a robust Corporate Plan with a roadmap for establishing a New Brownfield Ammonia / Urea Plants and NPK Stream.