

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:301
ANSWERED ON:25.11.2014
NEW FERTILIZER INDUSTRY
Mondal Shri Sunil Kumar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government proposes to establish new fertilizer industry and reopen closed fertilizer plants in the country;
- (b) if so, the details thereof and new fertilizer plants that are likely to be established;
- (c) the time by which new fertilizer plants/closed plants are likely to be established/made functional; and
- (d) the details of progress made regarding revamping of closed fertilizer plants/units in the country, plants/unit-wise?

Answer

MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (d): In 2008 Cabinet approved revival of closed units of FCIL and HFCL subject to non-recourse to Government funding and to consider write off of GOI Loan & interest to the extent required. The revival of these closed units would be through nomination route by PSUs and through bidding route by private sector. Sindri, Talcher and Ramagundam Units of FCIL to be revived on nomination basis. Gorakhpur & Korba units of FCIL and Durgapur, Haldia, Barauni of HFCL to be revived through bidding route.

In August, 2011, the Cabinet Committee on Economic Affairs (CCEA) had approved the Draft Rehabilitation Scheme (DRS) for revival of all the Units of FCIL and HFCL. DRS envisaged revival of Talcher Unit by the consortium of M/s.Rashtriya Chemical & Fertilizers Limited (RCF), M/s Coal India Limited (CIL) and M/s Gas Authority of India Limited (GAIL), revival of Ramagundam Unit by M/s. Engineers India Limited (EIL) and M/s. National Fertilizers (NFL) Limited and revival of Sindri unit by M/s Steel Authority of India Limited (SAIL).

In its meeting held on 9.5.2013, CCEA, inter-alia, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at positive net worth. This enabled FCIL to get de-registered from the purview of Board for Industrial and Financial reconstruction (BIFR). Proposal/action plan on revival of HFCL units to be taken up once revival of FCIL units is on track.

The progress of revival of FCIL units is as under:

Revival of Talcher:

Talcher unit of FCIL to be revived by consortium of PSUs namely RCF, GAIL, CIL and FCIL by forming two joint venture companies, namely JV 1 & JV 2 with the following time line: i. JV formation through RoC : By 30.11.2014 ii. Financial closure & Zero date : By 1.01.2015 iii. Commissioning of Project : By 31.12.2018

Revival of Ramagundam:

Ramagundam unit of FCIL to be revived by consortium of PSUs namely NFL,EIL and FCIL by forming a JV company with the following time line:

- i. JV formation : By 31.12.2014
- ii. Award of contract to Technology Licensors : By 31.03.2015
- iii. Project completion : By 30.09.2018

Revival of Sindri

For Sindri unit, SAIL-Sindri Projects Ltd. (SSPL), a wholly owned subsidiary of SAIL, has been incorporated in November 2011 for the purpose of revival of Sindri Unit of FCIL. Out of total land of 6652 acres with FCIL at Sindri, only 498 acres (the area of existing fertilizer plant) is encroachment free contiguous land as against the requirement of 3247 acres of encroachment free contiguous land required by SAIL for setting up the proposed facilities. However, no much progress has been made due to non-availability of around 3000 Acres of contiguous piece of land for the Steel Plant.

In the context of the proposed Jagdishpur-Haldia Pipeline of GAIL, Department of Fertilizers is exploring the feasibility of fast tracking the revival, of Gorakhpur unit of FCIL. Revival of Korba unit through bidding is pending.

