

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 1774 TO BE ANSWERED ON: 06.03.2018**

**Sick Fertilizer Units**

**1774+ DR. BANSILAL MAHATO:**

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state?

- (a) the details of sick fertilizer plants lying closed in the country along with the reasons thereof;
- (b) whether the Government proposes to revive these plants and if so, the steps taken in this regard;
- (c) whether the Fertilizer Corporation of India Ltd. (FCIL) located at Korba, Chhattisgarh has also been included under the programme for reviving sick fertilizer plants;
- (d) if so, the details thereof; and
- (e) the details of modernization programme proposed for public sector fertilizer plants?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERILIZERS

**(RAO INDERJIT SINGH)**

(a): At present, no sick Fertilizer plant is lying closed in the country. However, in 2002, five units of FCIL located at Sindri (Jharkhand), Talchar (Odisha), Ramagundam (Telangana), Gorakhpur (Uttar Pradesh) & Korba (Chhattisgarh) and 3 Units of HFCL located at Barauni (Bihar), Durgapur & Haldia (West Bengal) had been consistently incurring losses due to a variety of reasons and were declared sick by the Board for Industrial and Financial Restructuring (BIFR) in 1992. Government of India (GoI) decided in 2002 to close operations of all fertilizer units of FCIL & HFCL.

(b): Steps taken to revive above units are as follows:

Cabinet Committee Economic Affairs(CCEA) in 2007 gave 'in principal' approval to examine the feasibility of revival of the closed units of FCIL and HFCL. Cabinet in 2008 accorded approval for revival of the closed units of FCIL and HFCL subject to non-recourse to Government funding. CCEA in 2011 approved revival of these units through 'nomination route' by Public Sector Undertakings (PSUs) and through 'bidding route' by the private parties. The revival of Talcher, Sindri and Ramagundam units of FCIL on nomination basis by PSUs and revival of Gorakhpur and Korba Units of FCIL and Barauni, Durgapur and Haldia units of HFCL through 'bidding route.

CCEA in 2013 approved waiver of Gol loan and interest on FCIL to make the net worth of FCIL positive and to facilitate its de-registration from BIFR. Cabinet in its meeting held on 25.5.2016 approved Financial restructuring of HFCL by way of waiver of the Gol loans and the outstanding interest on Gol loan. This enabled HFCL to get it de-registered from the purview of BIFR.

The Union Cabinet in its meeting held on 13.7.2016 approved to revive Gorakhpur, Sindri & Barauni units by means of a Special Purpose Vehicle (SPV) of Public Sector Units namely, National Thermal Power Corporation Ltd (NTPC), Coal India Ltd (CIL), Indian Oil Corporation Ltd (IOCL) and FCIL/HFCL, through “nomination route”.

(c) & (d): Revival of Korba unit would be taken later on after viewing the progress of revival of above mentioned units of FCIL/HFCL, as well as based on the assessment of demand-supply gap of urea in the country.

(e): With the objective of promoting energy efficiency in urea production, Department of Fertilizers notified New Urea Policy -2015 (NUP-2015) on 25<sup>th</sup> May,2015 and effective from 1<sup>st</sup> June,2015. On the basis of actual energy consumption and pre-set norms, the units have been divided into three groups and the preset energy norms fixed during earlier policies have been revised for financial years 2015-2016 to 2017-2018. Further, the urea units have been given target energy consumption norms for 2018-19. i.e 5.5 Gcal/MT for Group I units, 6.2 Gcal/MT for Group-II units and 6.5 Gcal/MT for Group-III units. It has been reported that most of the urea manufacturing units are adopting the latest technology for improving their energy efficiency.

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