

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1316 TO BE ANSWERED ON: 18.12.2018

Equity Investment of Fertilizer Companies

1316 SHRI CHANDRA PRAKASH JOSHI:
SHRI BIDYUT BARAN MAHATO:
SHRI SUMEDHANAND SARASWATI:
SHRI RAMDAS C. TADAS:
SHRI NARANBHAI KACHHADIYA:

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

- (a) whether the Government has approved the proposal of the equity investment of Rastriya Chemicals and Fertilizers Limited (RCF) in Talcher Fertilizers Limited (TFL);
- (b) if so, the details thereof along with the date of the said approval;
- (c) the names of the shareholders in Talcher Fertilizer Ltd. (TFL) at present along with the manner in which this joint venture is likely to function and;
- (d) the details regarding the division of financial powers and other powers as per the ratio of shares?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN MINISTRY OF CHEMICALS & FERTILIZERS

(RAO INDERJIT SINGH)

- (a) : Yes, Madam.
- (b) : Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 19th September, 2018 approved the proposal of equity investment of RS 1033.54 crore (± 15%) @ 29.67% of the total project cost by Rastriya Chemicals & Fertilizers Limited for setting up of Coal gasification based fertilizer plant at Talcher to be funded through equity in Talcher Fertilizer Limited(TFL).

(c) : Shareholding pattern/Equity Stakeholders in Talcher Fertilizers Limited is as under:

(i)	Gas Authority of India Limited (GAIL)	- 29.67%
(ii)	Coal India Limited (CIL)	- 29.67%
(iii)	RastriyaChemicals & Fertilizers Limited (RCF)	- 29.67%
(iv)	Fertilizer Corporation of India Limited (FCIL)	- 10.99%
	(against land and other assets)	

TFL Joint Venture functions through a Board of Directors. Two Directors each are nominated by CIL, GAIL and RCF and one nominated by FCIL. The Company will have three whole time Directors, namely Director (Operations), Director (Finance) and Managing Director (MD). At present the Chairman of the Board has been appointed by RCF and CEO by GAIL. Day to day activities are managed by Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officers (COO) . COO (Gasification) has been appointed by GAIL, COO (Ammonia/Urea) by RCF and COO (Mining) by CIL. The first CFO has been nominated by CIL and further appointment of CFO shall be carried out on rotation basis by CIL, RCF and GAIL in every three years.

(d): All the financial powers are vested with the Board of TFL at present as the project is currently under implementation stage. All the JV partners barring FCIL shall invest equity in the JV in proportion of their holding equally. The equity cash call shall be raised by TFL Board to each of GAIL, CIL and RCF from time to time to meet the expenses related to project.
