

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

STARRED QUESTION NO. 32\* TO BE ANSWERED ON: 05.02.2019

SICK FERTILIZER PLANTS

32\* DR. BANSHILAL MAHATO:

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

- (a) the details of the closed/ sick fertilizer plants in the country along with the reasons therefor;
- (b) whether the Government proposes to re-start these plants;
- (c) if so, the steps taken by the Government in this regard;
- (d) whether the fertilizer plant of Fertilizer Corporation of India Ltd. (FCIL) situated at Korba, Chhattisgarh has been included in the revival programme of closed/ sick plants and if so, the details thereof; and
- (e) the details of the modernization programmes proposed for public sector fertilizer plants?

**ANSWER**

MINISTER OF CHEMICALS & FERTILIZERS AND STATISTICS & PROGRAMME  
IMPLEMENTATION

(SHRI D. V. SADANANDA GOWDA)

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(a) to (e): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. 32\* FOR REPLY ON 05.02.2019 REGARDING "SICK FERTILIZER PLANTS".**

(a): There are nine (9) Public Sector Undertakings (PSUs) under this Department, out of which two PSUs namely the Fertilizer & Chemicals Travancore Ltd (FACT) and Madras Fertilizers Ltd (MFL) are sick. No Fertilizer PSU is lying closed. However, in 2002, Government of India (GoI) decided to close operations of 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) as these units had been consistently incurring losses due to a variety of reasons. Reasons for sickness of FACT were closure of Urea plant, previous policy implications and reduction in capacities over the years while reasons for sickness of MFL were previous policy implications and dependency on high cost Naphtha for production.

(b) & (c): To strengthen the financial position of sick PSUs i.e. FACT & MFL, efforts are being made to monetize their surplus land. Further, proposals for financial restructuring of both the PSUs are also under consideration. Proposal for sale of 481.790 acres of FACT land to Government of Kerala & 70 acres of MFL land to Chennai Petroleum Corporation Ltd (CPCL) are under consideration.

Out of eight closed units of FCIL/ HFCL, Government of India has decided at present to revive five units namely Sindri (Jharkhand), Talchar (Odisha), Ramagundam (Telangana), Gorakhpur (Uttar Pradesh) of FCIL and Barauni (Bihar) unit of HFCL. Steps taken to re-start the closed units are as follows:

- (i) Hindustan Urvarak & Rasayan Ltd (HURL): Gorakhpur, Sindri and Barauni units are being revived through nomination route by forming Joint Venture of nominated Public Sector Undertakings namely, National Thermal Power Corporation, Coal India Limited, Indian Oil Corporation Limited and Fertilizer Corporation India Limited/Hindustan Fertilizer Corporation Limited for setting up gas based fertilizer plants of 1.27 MMTPA capacity each. A Joint Venture company named Hindustan Urvarak & Rasayan Limited (HURL) has been formed. The construction of the plants are underway.
- (ii) Ramagundam Fertilizer & Chemicals Ltd (RFCL): Ramagundam unit is being revived through nomination route by forming JV of nominated PSUs namely National Fertilizer Ltd (NFL), Engineers India Ltd (EIL) and FCIL for setting up a gas based fertilizer plants of 1.27 MMTPA capacity. A Joint Venture company named Ramagundam Fertilizer & Chemicals Ltd has been formed. The construction of this plant is expected to be completed shortly.

- (iii) Talcher Fertilizer Ltd (TFL): Talcher unit is being revived through nomination route by forming JV of nominated PSUs namely Gas Authority of India Ltd (GAIL), Rashtriya Chemicals & Fertilizers Ltd (RCF), Coal India Ltd (CIL) and FCIL for setting up a coal gasification based fertilizer plants of 1.27 MMTPA capacity. A Joint Venture company named Talcher Fertilizer Ltd (TFL) has been formed. Construction activities have started at the plant site.
- (iv) Decision on revival of Korba, Haldia & Durgapur units would be taken after viewing the progress of revival of above mentioned units of FCIL/HFCL, based on the assessment of demand-supply gap of urea in the country.
- (d): Already answered under (b) & (c) (iv) above.
- (e): With the objective of promoting energy efficiency, Department of Fertilizers notified New Urea Policy (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 norms, the 25 urea units had been divided into three groups and the preset energy norms fixed during earlier policies had been revised for financial years 2015-16, 2016-17 and 2017-18. Further, the urea units were given target energy consumption norms for 2018-19 (extended till 1<sup>st</sup> April, 2020 for 14 urea units). It is reported that most of the urea manufacturing units have adopted/are adopting the latest technology for improving their energy efficiency.

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