

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 2464 TO BE ANSWERED ON 03.08.2021

Exclusive Subsidy Policy

2464: SHRI KOMATI REDDY VENKAT REDDY:
SHRI MANNE SRINIVAS REDDY:

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

- (a) whether the Government has approved any exclusive subsidy policy for urea fertilizer produced through coal-gasification under joint ventures between GAIL India Ltd., Coal India Ltd, Rashtriya Chemicals and Fertilizers Ltd (RCFL) and Fertilizer Corporation of India (FCIL) among others, if so, the details thereof;
- (b) whether some fertilizer companies are reviving their plans by setting up a new greenfield urea plants in some States by increasing the installed capacities of million tonnes per annum and also estimated project costs of the urea projects and set targets, if so the details thereof and progress made, State wise including the State of Telangana also;
- (c) the amount of funds sanctioned/ spent for each project in the last 5 years and current year as on date, state wise; and
- (d) the steps being taken for specific subsidy to promote this innovative technology of coal-gasification for the first time in the country as on date and results achieved, along with funds sanctioned/ spent, State wise?

ANSWER

MINISTER OF HEALTH & FAMILY WELFARE AND CHEMICALS & FERTILIZERS

(MANSUKH LAL MANDAVIYA)

(a): Yes, Sir. On 28th April, 2021, the Government of India has notified an 'Exclusive Subsidy Policy for Urea produced through coal gasification route by Talcher Fertilizer Limited (TFL)', which envisages that the concession rate/subsidy for the urea produced through coal gasification route by Talcher Fertilizers Ltd (TFL) for a period of 8 years from the date of start of production will be determined by providing 12% Post Tax IRR on equity.

(b): Yes, Sir. The Government of India has decided to revive Ramagundam, Gorakhpur, Sindri and Talcher Units of Fertilizer Corporation of India Ltd. (FCIL) and Barauni Unit of Hindustan Fertilizer Corporation Ltd. (HFCL) through nomination route by forming Joint Venture Companies of nominated PSUs to set up new Ammonia-Urea plants as per details given below: -

SI No.	Name of the Joint Venture Companies & Location	Name of the Promoter PSUs	Capacity (Lakh Metric Tonne per annum)	Estimated project cost (Rs. In crores)	Overall progress as on 30.06.2021
1	Ramagundam Fertilizers & Chemicals Ltd (RFCL), Ramagundam, Telangana	Engineers India Limite, National Fertilizers Limited and Fertilizers Corporation of India Limited (FCIL)	12.7	6338.16	Commissioned on 22.03.2021
2	Talcher Fertilizers Ltd (TFL), Talcher, Odisha	Rashtriya Chemical & Fertilizers Limited, Coal India Limited (CIL) and Gas Authority of India Limited, FCIL	12.7	13277	12.59 %
3	Hindustan Urvarak & Rasayan Ltd (HURL), Gorakhpur, Uttar Pradesh	National Thermal Power Corporation Limited (NTPC), Indian Oil Corporation Limited (IOCL), CIL, FCIL	12.7	8603	91.80 %
4	Hindustan Urvarak & Rasayan Ltd (HURL), Sindri, Jharkhand	NTPC, CIL, IOCL, FCIL	12.7	8130	90.00 %
5	Hindustan Urvarak & Rasayan Ltd (HURL), Barauni, Bihar	NTPC, CIL, IOCL and Hindustan Fertilizers Corporation Limited	12.7	8388	89.40 %

(c): The Government of India has not sanctioned any funds for revival of the aforesaid projects. However, with regard to HURL projects, it is stated that CCEA in its meeting held on 01.08.2018 has approved grant of Interest Free Loan (IFL) equivalent to interest during construction amounting to Rs. 1257.82 Crore to Gorakhpur, Sindri and Barauni units of HURL. Further, the amount spent by JV companies for these revival projects in the last 5 years and current year as on date is as under: -

Sl. No.	Name of the Joint Venture Companies & Location	Amount spent during the last 5 years (Rs in crores)	Amount spent in current year as on date (Rs in crores)
1	Ramagundam Fertilizers & Chemicals Ltd (RFCL), Ramagundam, Telangana	6202.93	135.23
2	Talcher Fertilizers Ltd (TFL), Talcher, Odisha	1325.13	433.60
3	Hindustan Urvarak & Rasayan Ltd (HURL), Gorakhpur, Uttar Pradesh	4871.91	331.57
4	Hindustan Urvarak & Rasayan Ltd (HURL), Sindri, Jharkhand	3959.85	351.97
5	Hindustan Urvarak & Rasayan Ltd (HURL), Barauni, Bihar	4131.22	482.06

(d): Talcher Fertilizer Limited (TFL) is the first of its kind project on coal gasification based technology in India. Therefore, an Exclusive Subsidy Policy for Urea produced through coal gasification route by TFL, has been notified by the Government of India on 28th April, 2021.
