

**Status of the Progress made so far to revive Ramagundam unit:**

**Ramagundam Unit of FCIL is being revived through 'Nomination Route' by a Consortium of PSUs namely M/s. Engineers India Limited (EIL), M/s. National Fertilizers (NFL) Limited and FCIL to set up gas based urea plant with the equity sharing of 26%, 26% and 11% respectively with a capacity of 2,200 MTPD Ammonia unit and 3,850 MTPD Urea Plant.**

- The Joint Venture agreement signed on 14.1.2015.
- The estimated cost of the project is Rs.5254 crore and shall be funded in the Debt Equity ratio of 75:25.
- JV Company named "Ramagundam Fertilizers & Chemicals Limited" was incorporated on 17.2.2015.
- The JV Company would operate the plant and EIL would take up the detailed Engineering Procurement of equipment and Construction (EPC) of the plant.
- Licensor Agreements for Ammonia and Urea process placed on M/s HATS and SAIPEM respectively on 24.09.2015.
- Zero date for the project declared as 25.09.2015.
- Environment clearance obtained from MoEF on 16.10.2015
- Kick off meeting with licensors for Ammonia & Urea completed on 7.11.2015.
- Gas Transmission Agreement (GTA) with M/s GITL has been signed on 08.07.2016 for laying Gas pipeline from Mallavaram to Battery limites of RFCL Plant. GITL's Gas pipeline is envisaged to be commissioned by June, 2018.
- RFCL Board in its meeting held on 16<sup>th</sup> March, 2016 approved debts tie up of Rs 3940.71 cr from consortium of six banks led by SBI.
- Concession agreement signed with FCIL on 23.03.2016 for right to use land for setting up Ammonia-Urea Complex at the Ramagundam site of FCIL.
- State Govt. of Telangan has approved in-principle for equity participation of 11%. For rest 26% untied equity, RFCL is in discussion with prospective investors like Financial institutions, Licensors etc.
- Both the licensor for Ammonia & Urea have submitted Basic Design Engineering Package and Detailed Engineering by EIL and ordering of equipment/ placement of contracts is under process.
- The project likely to be commissioned by 30.9.2018.

**Status of the Progress made so far to revive Talcher unit**

**1. Formation JV Company:**

JV Company "Rashtriya Coal Gas Fertilizers Limited" (RCGFL) was incorporated on 13<sup>th</sup> November 2015.

JV Company name has been changed to "Talcher Fertilizers Limited (TFL)". RoC, Odisha approved the new name on 31<sup>st</sup> May, 2016.

**2. Technical feasibility and financial viability of the coal gasification.**

- Valuation of FCIL's assets:  
Asset Valuer has submitted the Final Report to CIL and the same has been forwarded to FCIL for their comment. FCIL vide mail dated 18<sup>th</sup> February, 2016, has submitted their observation. FCIL vide letter dated 9<sup>th</sup> March, 2016 mentioned to have 11% equity in JV Company irrespective of assets valuation. FCIL refused to have equity in proportion to the value of the assets to be transferred by them wherein FCIL does not intend to provide any equity in the Company beyond the transfer of Talcher assets.
- Review updated TEF, prepared by PDIL:  
CIL submitted final financial advisory report on 10<sup>th</sup> February, 2016.

**3. Selection of technology, techno-economic feasibility regarding coal based process and other related issues shall be decided by CEO, NITI Aayog in consultation with the main stakeholders.**

Action: NITI Aayog

- I. In the meeting held on 21<sup>st</sup> April, 2016, under chairmanship of CEO, NITI Aayog, JSPL made presentation of their plant performance. JSPL in principal has agreed to conduct test for 5 days Lurgi Gasifier with coal from Talcher region, subject to certain terms and condition.
- II. In the meeting held on 27<sup>th</sup> May, 2016, at JSPL office, ED (JSPL) informed that due to breakdown in DRI section, shutdown has been taken. Hence, JSPL vide letter dated 1<sup>st</sup> June, 2016, provided two ways to conduct test run as under:
  - I. With 2 Gasifiers in Operation with 100% Synthesis Gas Flaring:  
JSPL Proposed to carry out this Trial run at Lumpsum price of 14 Crs. INR (Excluding cost of coal).

- II. Trials until JSPL start Operating its 6 Gasifiers for downstream Units: JSPL Proposed to carry out this Trial run at Lumpsum price of 6 Crs. INR (Excluding cost of coal).
- III. In the meeting held on 10<sup>th</sup> June, 2016 at JSPL, Gurgaon, JSPL agreed to conduct this Coal Gasification Trial after DRI sections come to line. JSPL agreed to collect coal samples from two sources (Bhubaneshwari and Raniganj Coal Mines) and also agreed to submit final proposal by 28<sup>th</sup> June, 2016.
- IV. In the meeting held on 27<sup>th</sup> June, 2016, under the Chairmanship of Secretary (Fertilizers), CIL informed that coal could be sold to JV Company, TFL, as a one-time sale for R&D /testing on Free-on-Rail (FOR) basis. Since this would be a one-time sale this would not require concurrence of Standing Linkage Committee. TFL would authorise JSPL to lift and transport the coal from the respective mine on its behalf and test it in their gasifiers in Angul. CIL will seek the necessary permission from the competent authority for sale of coal to TFL for the above purpose. Secretary (Fertilizers) mentioned that PDIL shall arrange presentation from renowned coal gasification technology suppliers for better understanding of the technology vis-à-vis Indian coal perspective.
- V. JSPL submitted coal analysis report on 28<sup>th</sup> June, 2016.
- VI. JSPL submitted their proposal on 6<sup>th</sup> July, 2016 of Rs. 10.12 Crore.
- VII. In the meeting held on 12<sup>th</sup> July, 2016 at JSPL Gurgaon, proposal was discussed, deliberated and negotiated in the presence of all consortium partners. JSPL mentioned to submit revised proposal by 18<sup>th</sup> July, 2016, which is awaited.

**4. Geology and other necessary information as required by MoF, shall be provided by Ministry of Coal for the Talcher Project.**

- I. In the meeting held on, 6<sup>th</sup> January, 2016, under chairmanship of Hon'ble Minister for Chemicals and Fertilizers, Hon'ble Minister for PNG suggested that 50% of 'North of Arkhapal' mine may be considered for allotment to JV Company.
- II. Chairman (RCGFL), vide letter dated 25<sup>th</sup> January, 2016, requested Addl. Secretary (Coal), to allot 50% of North of Arkhapal Block.
- III. Vide letter dated 12<sup>th</sup> February, 2016, DoF directed to submit a proposal to Coal ministry to allot 50% of North of Arkhapal Block to JV Company, RCGFL.
- IV. Chairman (RCGFL), vide letter dated 23<sup>rd</sup> February, 2016, requested Secretary (Coal), to allot 50% of North of Arkhapal Block to JV Company, RCGFL.
- V. Chairman (TFL) has submitted a letter on 4<sup>th</sup> June, 2016 for allocation of coal block, 50% of North of Arakhpal Mine.

\*\*\*\*\*