

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

STARRED QUESTION NO:586

ANSWERED ON:06.05.2010

REVIVAL OF FERTILIZER UNITS

Panda Shri Baijayant;Singh Shri Pashupati Nath

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

- (a) the number of fertilizer manufacturing units in the public, private and cooperative sectors in the country, sector -wise;
- (b) the details of capacity utilization of such units for the last three years, Year and sector -wise ; (
- (c) whether a number of fertilizer units have been closed down;
- (d) if so, the reasons for the closure; (
- (e) the loss in the production of fertilizers as a result of closure during the above period; and
- (f) the revival plan envisaged for the purpose ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 586 TO BE ANSWERED ON 06.05.2010 REGARDING REVIVAL OF FERTILIZER UNITS.

(a) Details regarding number of major fertilizer manufacturing units in Public, Private and Cooperative Sector in the country, sector - wise are at Annexure- I

(b) Details of production and capacity utilization of Urea, DAP and Complex Fertilizers for the last three years, sector-wise are at Annexure-II-A, B & C. The installed capacities of DAP & Complex Fertilizers in many fertilizer manufacturing units are interchangeable.

(c),(d) & (e) Yes, Madam. Five Units of the Fertilizer Corporation of India Limited (FCIL) and three Units of Hindustan Fertilizer Corporation Limited (HFCL) in the public sector have been closed down. Following are the Unit-wise details:

(i) FCIL

Name of unit	Date of commissioning	Date of shutdown to close down	Date of Govt. decision
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Sindri	1979	March, 2002	5.9.2002
Gorakhpur	1969	1990	18.7.2002
Talcher	1980	1.4.1999	18.7.2002
Ramagundam	1980	1.4.1999	18.7.2002
Korba	Never commissioned	Not applicable	30.7.2002

(ii) HFCL

Name of unit	Date of commissioning	Date of shutdown to close down	Date of Govt. decision
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Barauni	1976	1999	5.9.2002
Durgapur	1974	1997	5.9.2002
Haldia	Never	Not applicable	18.7.2002

commissioned

The closed units of HFCL & FCIL had been consistently incurring losses due to a variety of reasons including obsolete technology, design and equipment deficiencies, power shortages, problems in industrial relations, surplus manpower and resource constraints. The non-availability of natural gas further limited the ability of the units to undergo modernisation and improve energy efficiencies which were low at 15 to 21 Gcal/MT of Urea. The above factors combined with sharp increase in price of naphtha and FO/ LSHS made the cost of production of urea from these units economically unviable, resulting in closure of the units.

In addition, two urea units in the private sector viz. Duncan Industries Ltd, (DIL) Kanpur and Southern Petrochemical Industries Corporation Limited (SPIC), Tuticorin are currently closed due to financial constraints as reported by the companies. Further, the urea unit of Fertilizers & Chemicals Travancore (FACT), Cochin is also shutdown as it is uneconomical to operate. The installed capacity of these closed units is altogether 22.80 LMT.

(f) Pursuant to the Cabinet decision dated 30.10.2008, it has been decided to explore the feasibility of closed fertilizer units of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation of India Ltd. (HFCL). The Empowered Committee of Secretaries (ECOS) has been constituted with the mandate to evolve all investment options for revival of closed units of FCIL/ HFCL to make suitable recommendations for consideration of the government. While recommending the revenue sharing model for revival, as per the decision of ECOS, the professional consultant M/s Delloite has submitted report suggesting proposed eligibility and evaluation criteria of the proposed bid documents and the process therein. In the meantime, a proposal has been received in the Government via consortium of PSUs formed by Gas Authority of India Ltd. (GAIL), Coal India Ltd. (CIL) and Rashtriya Chemicals & Fertilizers Ltd. (RCF) wherein the companies have expressed their intent to put up a fertilizer plant on coal based technology at Talcher (unit of FCIL). In the proposal, CIL has assured an uninterrupted coal supply. A proposal has also been received from Steel Authority of India Ltd. (SAIL) for putting up an integrated steel plant alongwith a fertilizer plant at Sindri.

The recommendations submitted by Delloite, alongwith proposal of RCF, GAIL, CIL consortium, SAIL is under consideration of ECOS to enable Department of Fertilizers to seek final approval of the competent authority.

Annexure-I

Statement referred to in reply to part (a) of Lok Sabha Starred Question No 586 to be answered on 06.5.2010

State-wise and Sector-wise no.of major Fertilizer units operating in the Country

Sl. No.	Name of States	No of Units Operating	Public	Co-operative	Private	Total
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1	Andhra Pradesh	4		4		4
2	Assam	2		2		2
3	Bihar					
4	Chhatisgarh					
5	Goa	1		1		1
6	Gujarat	8	3	5		8
7	Haryana	1		1		1
8	Jharkhand					
9	Karnatka	1		1		1
10	Kerala	2		2		2
11	Madhya Pradesh	2		2		2
12	Maharashtra	5	4	1		5
13	Orissa	2		1	1	2
14	Punjab	2		2		2
15	Rajasthan	3		3		3
16	Tamilnadu	4	1	3		4
17	Uttar Pradesh	7		5	2	7
18	West Bengal	1		1		1
	Total	45	14	9	22	45

Fol. For Dir. 10 N Annexure-II`A`

PLANT-WISE ANNUAL INSTALLED CAPACITY, PRODUCTION AND %AGE CAPACITY UTILIZATION OF UREA FROM 2007-08 TO 2009-10

NAME OF PLANTS	Installed Cap.
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as on	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	1.04.09					

Public Sector

NFL:Nangal-II	478.5	478.7	514.5	474.0	100.0	107.5	99.1
NFL:Bhatinda	511.5	511.4	537.5	514.7	100.0	105.1	100.6
NFL:Panipat	511.5	511.6	488.3	512.9	100.0	95.5	100.3
NFL:Vijaipur-I	864.6	899.9	865.9	878.5	104.1	100.2	101.6
NFL:Vijaipur-II	864.6	866.6	937.9	949.6	100.2	108.5	109.8
TOTAL(NFL):	3230.7	3268.2	3344.1	3329.7	101.2	103.5	103.1

BVFCL:Namrup-II	240.0	77.6	60.7	79.2	32.3	25.3	33.0
BVFCL:Namrup-III	315.0	251.7	128.5	230.4	79.9	40.8	73.1
TOTAL(BVFCL):	555.0	329.3	189.2	309.6	59.3	34.1	55.8

RCF:Trombay-V	330.0	0.0	0.0	306.9	0.0	0.0	93.0
RCF:Thal	1706.8	1832.3	1903.5	1782.2	107.4	111.5	104.4
TOTAL(RCF):	2036.8	1832.3	1903.5	2089.1	107.4	93.5	102.6

MFL:Chennai	486.8	440.5	405.7	435.9	90.5	83.3	89.5
Total(Public Sector)	6309.3	5870.3	5842.5	6164.3	93.0	92.6	97.7

Cooperative Sector

IFFCO:Kalol	544.5	544.5	559.7	601.2	100.0	102.8	110.4
IFFCO:Phulpur	551.1	629.9	662.6	722.6	114.3	120.2	131.1
IFFCO:Phulpur Expn.	864.6	924.3	840.5	1000.1	106.9	97.2	115.7
IFFCO:Aonla-I	864.6	875.7	986.8	1000.3	101.3	114.1	115.7
IFFCO:Aonla-II	864.6	989.3	1018.1	1000.3	114.4	117.8	115.7
TOTAL(IFFCO):	3689.4	3963.7	4067.7	4324.5	107.4	110.3	117.2
KRIBHCO:Hazira	1729.2	1739.7	1743.2	1779.6	100.6	100.8	102.9
TOTAL(CO-OP.):	5418.6	5703.4	5810.9	6104.1	105.3	107.2	112.7
Total (Public+Co-op.)	11727.9	11573.7	11653.4	12268.4	98.7	99.4	104.6

Private Sector

GSFC:Vadodara	370.6	240.8	236.3	281.5	65.0	63.8	76.0
SFC:Kota	379.0	380.9	395.5	382.2	100.5	104.4	100.8
DIL:Kanpur#	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!
ZIL:Goa	399.3	395.4	412.4	387.5	99.0	103.3	97.0
SPIC:Tuticorin	620.0	0.0	0.0	0.0	0.0	0.0	0.0
MCF:Mangalore	380.0	379.6	379.3	379.5	99.9	99.8	99.9
GNFC:Bharuch	636.0	670.4	592.3	601.7	105.4	93.1	94.6
IGCL:Jagdishpur	864.6	880.3	1068.6	1096.1	101.8	123.6	126.8
NFCL:Kakinada-I	597.3	757.2	768.9	757.0	126.8	128.7	126.7
NFCL:Kakinada-II	597.3	597.2	609.1	723.1	100.0	102.0	121.1
CFCL:Gadepan-I	864.6	1004.4	909.8	1019.6	116.2	105.2	117.9
CFCL:Gadepan-II	864.6	995.5	1008.3	1011.2	115.1	116.6	117.0
TCL:Babrara	864.6	1069.7	1023.8	1231.7	123.7	118.4	142.5
Shahjahanpur	864.6	913.2	864.3	972.8	105.6	100.0	112.5
(Kribhco Shyam)							
Total (Private Sector)	8302.5	8284.6	8268.6	8843.9	99.8	99.6	106.5
TOTAL(PUB.+COOP.+PVT.):	20030.4	19858.3	19922.0	21112.3	99.1	99.5	105.4

Production suspended

1. F-Data DAP Prodn for SIX years (11.04.08)No. 11

Annexure-II-`B`

PLANT-WISE ANNUAL INSTALLED CAPACITY, PRODUCTION AND %AGE CAPACITY UTILISATION OF DAP FROM 2007-08 TO 2009-10

Name of Company/ Unit	Installed Capacity	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
(1.4.2006)							

Cooperative Sector

IFFCO:Kandla	1200.0	438.3	214.7	722.7	36.5	17.9	60.2
IFFCO: Paradeep	1500.0	593.2	436.5	402.3	39.5	29.1	26.8
Total (Co-op.)	2700.0	1031.5	651.2	1125.0	38.2	24.1	41.7

Private Sector

GSFC:Vadodara	165.0	87.9	43.5	0.0	53.3	26.4	0.0
GSFC:Sikka-I\$	984.0	780.6	630.4	921.8	79.3	64.1	93.7
GSFC:Sikka-II\$	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ZIL:Goa	330.0	212.5	205.0	351.8	64.4	62.1	106.6
SPIC:Tuticorin	475.0	71.5	0.0	0.0	15.1	0.0	0.0
MCF:Mangalore	180.0	211.4	158.3	198.1	117.4	87.9	110.1
TCL:Haldia	675.0	237.6	147.8	183.7	35.2	21.9	27.2
Hindalco Indus:Dahej	400.0	131.2	168.6	181.8	32.8	42.2	45.5
GFCL:Kakinada	670.0	567.9	518.1	520.6	84.8	77.3	77.7
PPL:Paradeep	720.0	879.8	470.1	763.7	122.2	65.3	106.1
Total (Private Sector):	4599.0	3180.4	2341.8	3121.5	69.2	50.9	67.9

Grand Total : 7299.0 4211.9 2993.0 4246.5 57.7 41.0 58.2

Disinvested on 28-02-2002

\$ Figures for Sikka-I&II are combined

Annexure-II-`C`

Plant-wise annual installed capacity, production and capacity utilization of Complex Fertilizer for the years 2007-08 to 2009-10

(`000` MTs)

Name of Company/ Unit	Installed Capacity	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	%age capacity utilization
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Public Sector:

FACT- UD/Cochin	633.5	425.0	605.3	758.1	67.1	95.5	119.7
RCF: Trombay	661.0	468.2	471.0	503.3	70.8	71.3	76.1
MFL:Chennai	840.0	35.2	0.0	0.0	4.2	0.0	0.0
Total Public Sector:	2134.5	928.4	1076.3	1261.4	43.5	50.4	59.1

Cooperative Sector:

IFFCO:Kandla	1215.4	1531.8	1579.1	1651.7	126.0	129.9	135.9
IFFCO:Paradeep	420.0	272.6	869.5	1097.7	64.9	207.0	261.4
TOTAL (IFFCO)	1635.4	1804.4	2448.6	2749.4	110.3	149.7	168.1

Private Sector

GSFC:Vadodara	0.0	120.1	197.3	292.9	0.0	0.0	0.0
GSFC:Sikka-I	0.0	44.7	49.9	0.0	0.0	0.0	0.0
GSFC:Sikka-II	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CIL:Vizag	600.0	698.0	739.7	1053.4	116.3	123.3	175.6	
CIL:Ennore	240.0	187.3	158.4	212.6	78.0	66.0	88.6	
CIL:Kakinada	0.0	496.5	573.4	735.6	0.0	0.0	0.0	
ZIL:Goa	240.0	477.1	373.2	366.2	198.8	155.5	152.6	
SPIC:Tuticorin	0.0	1.0	0.0	174.4	0.0	0.0	0.0	
MCF:Mangalore	0.0	33.7	74.3	84.1	0.0	0.0	0.0	
GNFC:Bharuch	142.5	193.2	134.0	166.5	135.6	94.0	116.8	
TCL:Haldia	0.0	392.3	413.4	394.0	0.0	0.0	0.0	
Hindalco Ind:Dahej	0.0	18.2	0.0	0.0	0.0	0.0	0.0	
DFPCL:Taloja	230.0	51.5	57.9	100.6	22.4	25.2	43.7	
PPL:Paradeep	0.0	404.2	552.0	447.2	0.0	0.0	0.0	
Total Private Sector:	1452.5	3117.8	3323.5	4027.5	214.7	228.8	277.3	
Total (Pub.+Coop.+Pvt.):	5222.4	5850.6	6848.4	8038.3	112.0	131.1	153.9	