

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

UNSTARRED QUESTION NO:117
ANSWERED ON:24.02.2015
REVIVAL OF FCIL HFCL UNITS
Khan Shri Md. Badariddoza

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

- (a) whether the Cabinet Committee on Economic Affairs (CCEA) had approved the Draft Rehabilitation Scheme (DRS) for revival of all the Units of Fertilizers Corporation of India Limited (FCIL) and Hindustan Fertilizers Corporation Limited (HFCL);
- (b) if so, the details thereof;
- (c) the current status of DRS for revival of FCIL and HFCL units; and
- (d) the details of sick/closed fertilizer units revived so far, unit and State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) & (b): Yes, Madam In August, 2011 the Cabinet Committee on Economic Affairs (CCEA) approved the Draft Rehabilitation Scheme (DRS) for revival of all the closed units of Fertilizers Corporation of India Limited (FCIL) i.e., Talcher, Ramagundam, Sindri, Gorakhpur and Korba and Hindustan Fertilizers Corporation Limited (HFCL) i.e., Barauni, Haldia and Durgapur. DRS envisaged revival of Talcher unit by a consortium of M/s Rashtriya Chemical & Fertilizers Limited (RCF), M/s Coal India Limited (CIL) and M/s Gas Authority of India Limited (GAIL), revival of Ramagundam unit by M/s Engineers India Limited (EIL) and M/s National Fertilizers Limited (NFL) and revival of Sindri unit by M/s Steel Authority of India Limited (SAIL) and NFL Revival of Gorakhpur and Korba Units of FCIL and all three units of HFCL was to be done through bidding route.

(c): In its meeting held on 9.5.2013, CCEA, inter-alia, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at a positive net worth and action plan of revival of HFCL units to be taken up once revival of FCIL units is on track. Waiver of Government of India loan and interest enabled FCIL to get de-registered from the purview of Board for Industrial and Financial Reconstruction (BIFR). The progress of revival of FCIL units is as under:

(i) Talcher Unit

The pre-project activities for revival of Talcher unit (Odisha) by the nominated Public Sector Undertakings (PSUs), namely, RCF, CIL, GAIL and FCIL are in progress to set-up a coal-based fertilizer plant. The selection of Coal Gasification Technology by GAIL is at the final stage.

(ii) Ramagundam Unit

The pre-project activities for revival of Ramagundam unit (Telangana) by the nominated PSUs, namely, EIL, NFL and FCIL are in progress to set-up a gas-based fertilizer plant. Joint Venture (JV) agreement has been signed by these PSUs on 14.01.2015.

(iii) Sindri unit

Approved DRS envisaged revival of Sindri unit by SAIL. However, not much progress was made due to non-availability of around 3000 Acres of contiguous piece of land for the Steel Plant due to encroachments. In the meantime, the scenario for SAIL has undergone change, a massive modernization and expansion plan of SAIL is currently under implementation, with capital expenditure (CAPEX) commitment of Rs.72,000 crore. SAIL's borrowings have increased to around Rs 25,300 crore. SAIL has drawn a 'vision plan 2025' to expand to 50 MTPA Hot Metal capacity by 2025. This requires a commitment around Rs. 2.02 lakh crore. In view of the above, SAIL has taken a view not to pursue the Sindri Revival project further. Government is exploring the feasibility of revival of Sindri unit, through the 'bidding route'.

(iv) Gorakhpur unit

M/s. GAIL is planning to lay a gas pipeline from Jagdishpur (Uttar Pradesh) to Haldia (West Bengal). To make this gas pipeline financially viable, Government is exploring the feasibility of revival of Gorakhpur unit, which is en-route of Jagdishpur-Haldia pipeline (JHPL) on 'nomination route' instead of 'bidding route' approved earlier.

(v) Korba unit

The revival of Korba unit would be taken up later on.

(vi) Barauni unit

Though proposal/ action plan on revival of units of HFCL to be taken up once revival of FCIL units is on track in terms of CCEA

approval in May 2013, but in the context of the recent announcement of the proposed JHPL, Government is exploring the feasibility of fast tracking the revival of Barauni unit of HFCL through bidding route.

(d): None of the sick/closed units has been revived so far.