

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

UNSTARRED QUESTION NO:111

ANSWERED ON:24.02.2015

CHEMICAL AND FERTILIZER PLANTS

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

- (a) whether the Government proposes to establish Urea production units in those places where the raw material naphtha is available and if so. the details thereof; (
- (b) the details of chemical and fertilizer plants/units which are in operation/sick or closed along with the quantum of products produced by them during each of the last three years and the current year, product/plant-wise;
- (c) whether the Government proposes to set up new fertilizer plants and to revive the said plants/units which are lying sick/closed along with the action/steps taken to revive them, plant/unit-wise;
- (d) whether the Government proposes to increase production of chemicals and fertilizers to Fill the gap between demand and supply of the chemical and fertilizers;
- (e) if so. the details thereof and the target set and achievement made for the said purposes during the said period, plant/fertilizer-wise; and
- (f) the present status of proposed new fertilizer plants/revival of closed plants and time by which the said closed and new plants/units are likely to be made functional, plant-wise?

**Answer**

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

(a) As per the New Investment Policy (NIP) 2012 and amendment to NIP - 2012 which has been notified by the Government on 2.1.2013 and 7.10.2014 respectively, the Government does not allow establishment of Urea units based on Naphtha

(b) : The details of fertilizer plants/units which are in operation/sick along with the quantum of products produced by them during each of the last three years and the current year, product/plant-wise is annexed at Annexure - I. The details of closed unit are annexed at Annexure - II. The details of quantum of chemical products produced by Hindustan Organics Chemicals Ltd. (HOCL), Hindustan Fluorocarbons Ltd. (HFL) and Hindustan Insecticides Ltd, (HIL) is annexed at Annexure - III

(c) : The details of New Fertilizer Plant? and Revival of the plants/units which are lying sick/closed along with the action/s au taken to revive them are as under:

**New Fertilizer plants**

The Department of Fertilizers is in the process of examining thirteen Brownfield/Greenfield/Revamp proposals /projects annexed at Annexure-IV

**Revival of closed units**

Government propose to revive five closed units of Fertilizer Corporation of India Ltd (FCIL) and one unit of Hindustan Fertilizer Corporation Ltd (HFCL), The progress of revival of FCIL/HFCL 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, Rashtriya Chemicals and Fertilizers Ltd (RCF), Coal India Ltd (CIL). Gas Authority of India Ltd (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 options of fast-tracking revival of Gorakhpur unit, which is en-route of Jagdishpur-Haldia pipeline(JHPL).

(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`

Revival of sick units

Government has planned financial restructuring of three sick companies namely. MFL, BVFCL and FACT to sustain their operations. The financial restructuring, inter-alia, involves waivers of Government of India loans and interest thereon and grant of interest free loans.

(d) Yes Madam The Department proposes to increase the production of fertilizer to fill the gap between demand and supply of fertilizer As far as production chemicals is concerned, it depends upon various factor like plant capacity, market condition, economic viability, etc. which is continuously reviewed by the Government and is an ongoing process.

(e) : The details of Plant-wise Target and Actual Production of Urea, DAP and Complex Fertilizers from 2011-2012 to 2014-15 (upto January, 2015) is enclosed at Annexure-I.

(f) : Status of new plants

The Department of Fertilizers is in the process of examining thirteen Brownfield/Greenfield/Revamp proposals/projects annexed at Annexure-IV

Status of revival of closed plants in Public Sector

The progress of revival of closed units of FCIL/HFCL are at various stages and firm time cannot be given at this stage. However, these plants are likely to become functional after 36 months from the date of Award to the Technology Suppliers.