



Cabinet Committee on Economic Affairs (CCEA)



# Cabinet approves Exclusive subsidy policy for Urea produced through coal gasification by Talcher Fertilizers Limited (TFL)



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**in** The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has given its approval for the proposal of the Department of Fertilizers for the formulation of exclusive subsidy policy for Urea produced through coal gasification route by Talcher Fertilizers Limited (TFL).

## **Objectives**

Considering the strategic energy security and urea self-sufficiency of the country, looking into the country's vast coal reserves, it has been decided go ahead with Talcher Fertilizer Limited plant based on coal gasification technology. The project shall improve availability of fertilizer to farmers thereby boosting development of eastern region and will save transport subsidy for supply of urea in eastern part of the country. It would assist in reducing Urea imports to the tune of 12.7 LMT per annum leading to savings in foreign exchange.

The project will also give a boost to 'Make in India' initiative and AtmaNirbhar' campaign and would help development of infrastructure like roads, railways water, etc. providing major boost to economy in the eastern part of the country including promoting ancillary industry. The project will also provide New business opportunity in form of ancillary industries in the catchment area of the project.

Coal gasification plants are strategically important as coal prices are non-volatile and coal is abundantly available. Talcher plant shall also reduce dependence on important Natural Gas for production of urea leading to reduction in LNG import bill. The gasification process adopted in Talcher unit is a Clean Coal Technology giving negligible SO<sub>x</sub>, NO<sub>x</sub> and free particulate emissions as compared to directly coal fired processes.

## **Background**

Talcher Fertilizers Ltd. (TFL) is a Joint Venture Company of four PSUs namely Rashtriya Chemicals & Fertilizers (RCF), GAIL (India) Ltd. (GAIL), Coal India Ltd. (CIL) and Fertilizer Corporation of India Ltd. (FCIL) which was incorporated on 13th November, 2015. TFL is reviving the erstwhile Talcher plant of Fertilizer Corporation of India Ltd. (FCIL) by setting up a now greenfield Urea Plant with the installed capacity of 12.7 Lakh Metric Ton per annum (LMTPA). The estimated project cost of the TFL Urea project is 13277.21 Crore (+/-10%).

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