

# RCF JV to raise ₹9,100-crore debt by October end for Talcher Fertiliser Complex

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**TALCHER FERTILISER, THE** joint venture of Rashtriya Chemicals & Fertilisers (RCF), Coal India (CIL), GAIL India, and Fertiliser Corporation of India (FCIL), plans to raise around ₹9,100 crore as debt for revival of Talcher Fertiliser plant in Odisha. The joint venture was set up by the government to revive FCIL's fertiliser plant to enhance the domestic capacity.

Sudhir D Pandare, director-technical, RCF, who is involved in the revival of the project, told FE that the ₹13,000-crore project will have an equity of ₹3,900 crore while the remainder ₹9,100 crore will be debt. "SBI has committed around 50% while the rest will be raised from a consortium of banks led by SBI by the end of October," Pandare said. RCF, CIL and GAIL will each contribute 3.1% towards debt, while FCIL will contribute 4.45% as it has provided the land.

RCF also plans to raise a total of ₹1,000 crore in non-convertible debentures (NCDs) to pay-off its contribution towards equity. "We have taken the shareholders' approval on Tuesday at the annual general meeting to raise ₹1,000 crore through NCDs, which will be used to finance our equity contribution for Talcher. We will raise ₹600 crore in two tranches by March," Umesh Dongre, director-finance, said. The company had

taken approvals of ₹500 crore in previous years as well but had never raised the NCDs.

RCF along with Coal India, GAIL India and FCIL is involved in setting up a fertiliser complex at Talcher in Odisha, which will house a 2,200-tonne-per-day (MTPD) of ammonia, and 3,850 MTPD urea plant. The plant will be based on a coal gasification technology using the domestic coal instead of natural gas.

"The project is of strategic importance for the country as it aims to make a breakthrough for an alternative source of feedstock in the form of abundantly available coal from domestic sources in place of natural gas. The success of this project will reduce our dependence on RLNG, besides, the project will address the requirement of urea production capacity in the eastern part of the country," Dongre said.

Talcher Fertiliser has been allotted northern part of North Arkhupal mine as the captive mine for meeting its coal requirements and petcoke shall be sourced from Paradip refinery of Indian Oil Corporation. The JV has already awarded the contracts for coal gasification and Ammonia-Urea plant to Wuhuan Engineering Company of China on September 11 and September 19, respectively.

RCF has a total market share of 8% in India, which will increase to 12% after the commissioning of Talcher by September 2023, Dongre said.