MINT, Delhi, 9.7.2025
Page No. 1, Size:(11.22)cms X (12.42)cms.

Talcher revival taking shape as banks consider ₹10,000 cr loan

Shayan Ghosh
shayan.g@livemint.com
MUMBAI

The plan to revive India's first coal-based urea plant at Talcher, Odisha has gained steam as banks will start assessing the project afresh for lending up to ₹10,000 crore, after being repaid about ₹4,000 crore in existing loans, said two people aware of the development.

The promoters have repaid loans taken in 2021 to lenders led by State Bank of India (SBI), the people said on the condition of anonymity.

Talcher Fertilizers Ltd is owned by four state-run companies–GAIL (India) Ltd, Coal India Ltd, and Rashtriya Chemicals and Fertilizers Ltd control 31.85% stake each, while Fertilizer Corporation of India Ltd holds the rest.

The repayment by the promoters was necessary as loans would have otherwise turned sour since the project is yet to start operations. The Reserve Bank of India (RBI) norms prohibit banks from accommodating endless delays in projects.

This would be India's first coal gasification urea plant. MINT

The Talcher unit entails setting up India's first coal gasification-based urea plant with a capacity of 1.27 million tonnes per annum. Such facilities, which use coal instead of natural gas as fuel, are strategically important as coal prices are not volatile and the country has abundant reserves of the fossil fuel, according to a government statement from 2023. The Talcher plant will also reduce dependence on imported natural gas for producing urea, reducing the import bill, it said.

Although more than ₹9,000 crore worth of loans were sanctioned for the project in 2021, less than half the amount was utilised, which has now been returned, said the first of the two people quoted earlier.

"Now that the loans are cleared and the account closed, banks will soon start reassessing the project," said the person. "In the meantime, the project cost has escalated from ₹13,000 crore to ₹17,000 crore, and the debt-to-equity ratio has also been tweaked from 70:30 to 60:40."

Queries emailed to SBI, Talcher Fertilizers, GAIL, Coal India, Rashtriya Chemicals and Fertilizer Corporation of India remained unanswered.

TURN TO PAGE 6