

Statement II

*Project proposals submitted by Public Sector/Cooperative units for clearance
by the Public Investment Board*

Sl. No.	Name of PSU/ Cooperative	Location	Estimated capital cost (Rs. crore)	Production envisaged	
				Product	Capacity (lakh MTPA)
1.	Krishak Bharati Cooperative Limited (KRIBHCO) (Third Stream ammonia-urea expansion project)	Hazira,	1044.00	Urea	7.26
2.	KRIBHCO (New Ammonia-urea plant at existing site of FCI)	Gorakhpur, UP	1270.00	Urea	7.26
3.	Indian Farmers Fertilizer Cooperative Limited (IFFCO) (Grassroots)	Nellore, Andhra Pradesh	1568.70	Urea	7.26
4.	Rashtriya Chemicals and Fertilizers (RCF) (Ammonia-urea Expansion Projects)	Thal, Maharashtra	1157.33	Urea	7.26

Import of Urea

3258. SHRI SUNIL KHAN : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government are importing urea at the rate of Rs. 9000 per ton whereas the cost of production of urea is Rs. 7000 per ton in Durgapur Fertilizer Corporation of India; and

(b) if so, the reasons for not giving the same rate to Durgapur Fertilizer Corporation of India for the production thereof and thereby helping it for revamping so that valuable foreign exchange can be saved?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM) : (a) and

(b) The weighted average C&F (cost + freight) price of imported urea varies from year to year depending upon the prices in the international market and the freight rates. During April-July, 1997, the weighted average C&F price of urea has been Rs. 6202 per MT approximately. Against this, the retention price paid to Hindustan Fertilizer Corporation (HFC)/Durgapur is Rs. 8256 per MT for urea produced by it. This does not cover their cost of production fully which is higher. That is why, budgetary support is being extended every year to meet the cash losses.

Revival package of HFC has been reformulated from the standpoint of financial institutions. The scope of revamp is to be determined on the considerations of viability and tie-up of funding arrangements.