

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

UNSTARRED QUESTION NO:2524
ANSWERED ON:05.12.2000
NEW AMMONIA AND UREA PLANTS
SULTAN SALAHUDDIN OWASI

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

e:

- (a) the number of proposals submitted by Krishak Bharti Cooperative Society for setting up new ammonia and urea plants/extension of present plants to the Government during the last three years;
- (b) the number of proposals approved by the Government and the estimated cost thereof;
- (c) whether the said plants have since been commissioned;
- (d) if so, the details thereof indicating their annual production capacity, location-wise;
- (e) whether Government propose to set up more urea plants in Andhra Pradesh;
- (f) if so, the details thereof; and (g) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI SATYA BRATA MOOKHERJEE)

(a) to (d): Public Sector Undertakings/Cooperative Societies under the administrative control of the Department of Fertilizers have to obtain approval of the Government before undertaking capital expenditure for setting up new plants and expansion of existing plants beyond their delegated powers. Accordingly, the proposals of Krishak Bharati Cooperative Ltd.(KRIBHCO) for set-up ammonia-urea expansion project at its existing Hazira complex in Gujarat at an estimated cost of Rs.1318 crore and new ammonia-urea plants at the existing site of Fertilizer Corporation of India at Gorakhpur in Uttar Pradesh at an estimated cost of Rs.1536 crore with an annual urea capacity of

768 lakh metric tonnes each have been posed to the Government for investment approval under the prescribed procedure. These proposals along with two other public/ cooperative sector urea projects, were approved 'in principle' by the Government, subject to investment appraisal by the Public Investment Board (PIB). Investment appraisal of these and the two other urea projects was undertaken by the PIB in July 1999. In June 2000, the Government considered and deferred the proposal for taking a final investment decision on all these projects. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects, desirability of encouraging use of LNG as feedstock to reduce the incidence of subsidy and the need to stagger the implementation of the proposed projects due to limited demand supply gap forecasts.

(e) to (g): As per the industrial policy resolution dated 24th July, 1991, no license is normally required for setting up /expansion of fertilizer plants. Entrepreneurs are free to set up/expand fertilizer plants anywhere in the country subject to environmental clearance. In the public/cooperative sector, a proposal of Indian Farmers Fertiliser Cooperative Limited, (IFFCO), to set up a new ammonia-urea project in Nellore District of Andhra Pradesh with an annual urea capacity of 7.68 lakh metric tonnes at an estimated cost of Rs.1736 crore was also approved 'in principle' and considered by the Government along with the proposals of KRIBHCO referred to in reply to parts (a) to (d) above.