

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

UNSTARRED QUESTION NO:5577

ANSWERED ON:24.04.2001

OMAN-INDIA FERTILIZER PROJECT

GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI;Y.S. VIVEKANANDA REDDY

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

- (a) whether India has given approval to the \$969 million Oman-India Fertiliser project by clearing certain long outstanding issues;
- (b) if so, the details of main objections that have been removed;
- (c) the main reasons for delay; and
- (d) the time by which the final decision is likely to be taken in this regard?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) & (b): Government of India has already approved the following outstanding issues relating to the Oman India Fertilizer Project on 24.1.2001:

- (i) compensation payable by Sultanate of Oman in case of failure to supply gas;
 - (ii) compensation payable by Oman India Fertiliser Company to Government of India in case it fails to deliver urea;
 - (iii) latest negotiated and reduced contract price in the Engineering Procurement and Construction contract.;
 - (iv) to no longer consider the issue of tax exemption on dividend income of the Indian sponsors as an outstanding issue;
 - (v) total equity investment by the Indian sponsors without the condition of ensuring that capital goods like plants, machinery and other supplies, and services should be sourced from India. Goods and services worth an estimated \$110 million may however be procured from India subject to reliability and competitiveness; and
- (d) & (d): Do not arise.