

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

UNSTARRED QUESTION NO:978
ANSWERED ON:07.12.2004
EXPANSION OF FERTILIZER PLANTS
Khanna Shri Avinash Rai

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

- (a) whether the Government has formulated a plan for the expansion of the fertilizer plants to increase their productivity and capacity;
- (b) if so, the details thereof, plant-wise; and
- (c) the amount likely to be spent on it by the Government?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): As per the industrial policy resolution dated 24th July, 1991, no licence is normally required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental clearance. However, Public Sector Undertakings/ Cooperative Societies under the administrative control of the Department of Fertilizers have to obtain approval of the Government before undertaking such capital expenditure beyond their delegated powers. Further, setting up of new, expansion and de-bottlenecking projects of urea requires prior approval of the Department of Fertilizers which are to be based on natural gas and Liquefied Natural Gas (LNG) as feed stock and fuel, as per the pricing policy for investment made in new, expansion and de-bottlenecking projects of urea notified in January, 2004. The details of such proposals submitted to the Government are given in Annexure-I.

(c): In the public sector, Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), a new company formed on segregation of Namrup units from Hindustan Fertilizer Corporation Limited (HFC), is implementing major revamp of its plants at Namrup in Assam at an approved completion cost of Rs. 525.47 crore to enhance urea production from the units to 5.55 lakh per annum. The project has been fully funded by the Government and so far Government has released Rs. 521.02 crore as budgetary support to BVFCL for implementing this project. For the year 2004-05, a budgetary provision of Rs. 81 crore has been earmarked for the project.

Annexure - I

Urea Project proposals submitted to the Department of Fertilizers for approval

SN	NAME OF THE PSU/ COOPERATIVE	PROPOSED LOCATION	ESTIMATED CAPITAL COST (Rs.cr.)	PRODUCTION ENVISAGED CAPACITY Lakh	YEAR OF ADDITION AL UREA AVAILABILITY
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1	Krishak Bharati Cooperative Ltd. (KRIBHCO) (Third stream ammonia- urea expansion project)	Hazira, Gujarat	1750	Urea	10.56 2007-08
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2	IGFL, (De-bottlenecking)	Jagdishpur Jagdishpur	875	Urea	6.56 2006-07
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3	TCL, Babrala (De-bottlenecking).	Babrala	140	Urea	2.90 2005-06
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4	IGFL, Jagdishpur Expansion	Jagdishpur	1693	Urea	11.385 2007-08
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Project.

5. IFFCO
(De-bottlenecking Aonla and
projects) Phulpur Not available Urea 3.50 Not available
6. RCF
(Thal-III Expansion Thal
Project) Maharashtra 1841 Urea 10.56 Not available

Details of major Fertilizer Projects under implementation in the country.

S.No	Name	Location	Product	Approved Capacity	Month/Year
		Completion after of Cost revamp Commissioning (Rs.Crore) (in lakh TPA)			
1	Revamp of Namrup Plants of Brahmaputra Valley Fertilizer Corporation (BVFC)	Namrup, Assam	Urea	525.47 5.55	Units I & III commissioned in March,2002. Unit II is expected to be commissioned by Dec., 2004