

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

UNSTARRED QUESTION NO:2748

ANSWERED ON:21.03.2005

FERTILIZER PLANTS

Adsul Shri Anandrao Vithoba;Badiga Shri Ramakrishna;Singh Shri Sugrib;Tripathy Shri Braja Kishore

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

- (a) whether the Union Government has signed a Memorandum of Understanding (MoU) with Government of Sultanate of Oman for setting up of fertilizer complex in Oman;
- (b) if so, the details thereof alongwith the terms and conditions of said MoU;
- (c) the details of equity shares held by Indian companies;
- (d) the estimated expenditure to be incurred thereon; and
- (e) the latest progress of the project and by when it is likely to be completed and become operational?

Answer

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

(a) & (b): Yes Sir. A Memorandum of Understanding (MoU) was signed between Government of India and the Government of Sultanate of Oman on 15th June, 1993 providing for cooperation between Indian and Omani sponsors for establishing technical feasibility and commercial viability of a joint venture gas based fertilizer project in Oman.

This was followed by signing of another MoU on 30th July, 1994 amongst Governments of Oman and India as well as sponsors from respective sides agreeing to abide by the requirements in the following areas by the Indian and Omani sponsors:-

- (i) Preparation of Detailed Feasibility Report;
- (ii) Constitution of Joint Management Committee to manage the activities upto completion of Detailed Feasibility Report;
- (iii) Incorporation of Joint Venture Company (JVC) in the name of Oman-India Fertilizer Company (OMIFCO);
- (iv) Capital structure, financial participation, management and operations of the JVC;
- (v) Provisions governing transfer/sale of shares of JVC;
- (vi) Rights and obligation of JVC;

(c), (d) & (e): Presently, the Indian companies viz., KRIBHCO and IFFCO each hold an equity of US\$ 80 Million (equivalent of Rs. 344 crores) which is 50% of the total equity of US\$ 320 Million of Oman India Fertilizer Company (OMIFCO). The total cost of the project is US\$ 969 Million.

As on 3rd February, 2005 the project has achieved an overall cumulative progress of 98.88%. The commercial production from the project is scheduled to commence on 15.7.2005.