

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

UNSTARRED QUESTION NO:2312
ANSWERED ON:08.12.2011
REVIVAL OF BVFCL
Toppo Shri Joseph

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

- (a) whether the Brahmaputra Valley Fertilizers Corporation Ltd. (Namrup Fertilizers) is not functioning well due to financial crisis;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the employees of Brahmaputra Valley Fertilizers Corporation Ltd. are not even getting their wages and salary in time;
- (d) if so, whether the Government has made any policy for the revival of the said plant; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) & (b): Yes, Madam. Brahmaputra Valley Fertilizers Corporation Ltd. (BVFCL) is incurring financial losses since inception due to Old and obsolete technology leading to low capacity utilization & high energy consumption.

(c): No, Madam.

(d) & (e): Yes, madam. The following steps have been taken for revival of BVFCL;

As a Short Term Measure, Government has provided funds for renovation/repair of both the existing plants of BVFCL i.e. Namrup-II and Namrup-III. Performance of Namrup-III Plant has improved and it is now being operated at full load. It's energy consumption has come down in the range of 9.5 Gcal/MT of urea. Performance of Namrup-II has also improved. The company is generating cash profit.

As a long term measure, a comprehensive proposal for long term viability of the Company has been prepared including the financial restructuring of the Company and setting up of new Brown field Ammonia-Urea Plant at Namrup. The proposed plant capacity would be to produce 8.64 Lakh MT of Urea per annum consuming 1.72 MMSCMD of gas at a specific energy of 5.4 Gcal/MT of Urea. Techno Economic Feasibility Report (TEFR) for installation of the project was submitted to Planning Commission for in-principle approval and thereafter further examination and allocation of fund in the 12th five year plan starting from 2012. As per the advice of Planning Commission, the possibility of firming up the proposal seeking contribution from profit making CPSUs/Private Sector in the form of equity to become Joint Venture partners in the proposed project without any budgetary support from Government is being explored.