

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

UNSTARRED QUESTION NO:1783
ANSWERED ON:16.07.2009
OUTLAY FOR UREA PROJECT
Maadam Shri Vikrambhai Arjanbhai

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

- (a) the total outlay for setting up of new projects and expansion of the existing urea projects of Public Sector Undertakings/Cooperative Societies during the last year;
- (b) the amount utilized/unutilized till date, PSUs/Cooperative Society-wise;
- (c) the reasons for not utilising the full amount, if any;
- (d) whether the proposals for setting up of new projects/expansion of the urea projects of PSUs/Cooperative Societies have been cleared; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c): In view of the increasing gap in demand and supply of urea in the country, the Government is encouraging companies for setting up of new urea plants within the country. Towards this end, a New Pricing Policy for attracting new investments in urea sector has also been announced by the Government on 4th September, 2008. The decision regarding setting up of a new unit/plant in the country will entirely be dependent upon the assessment of the investor who may be willing to invest in this sector in view of the emerging demand production gap and the attractive investment policy.

Rashtriya Chemicals & Fertilizers Ltd. (RCF), the fertilizer PSU, had earmarked a sum of Rs. 10 crore for the expansion of their Thal unit, whereas Krishak Bharati Cooperative Ltd. (KRIBHCO), the fertilizer Cooperative, had set aside a sum of Rs. 5 crore for expansion of Hazira plant during the last year 2008-09. These funds have been allocated by the companies out of their own funds. RCF has incurred an expenditure of Rs. 5 lakhs during 2008-09 on account of studies being conducted for preparation of Draft Feasibility Report (DFR) of the expansion Project. The unutilized amount will be utilized during the course of preparation of the DFR. KRIBHCO has not incurred any expenditure on Hazira Expansion Project during 2008-09 since the preparation of DFR is at planning stage only.

(d) and (e): The Government has given `in-principle` clearance to the expansion projects of RCF (Thal Unit) and KRIBHCO (Hazira Unit). The companies will approach the Government for the final approval of the project only after DFR and Detailed Project Report (DPR) is finalized.