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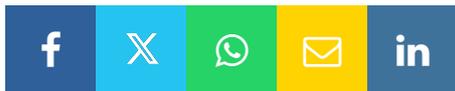
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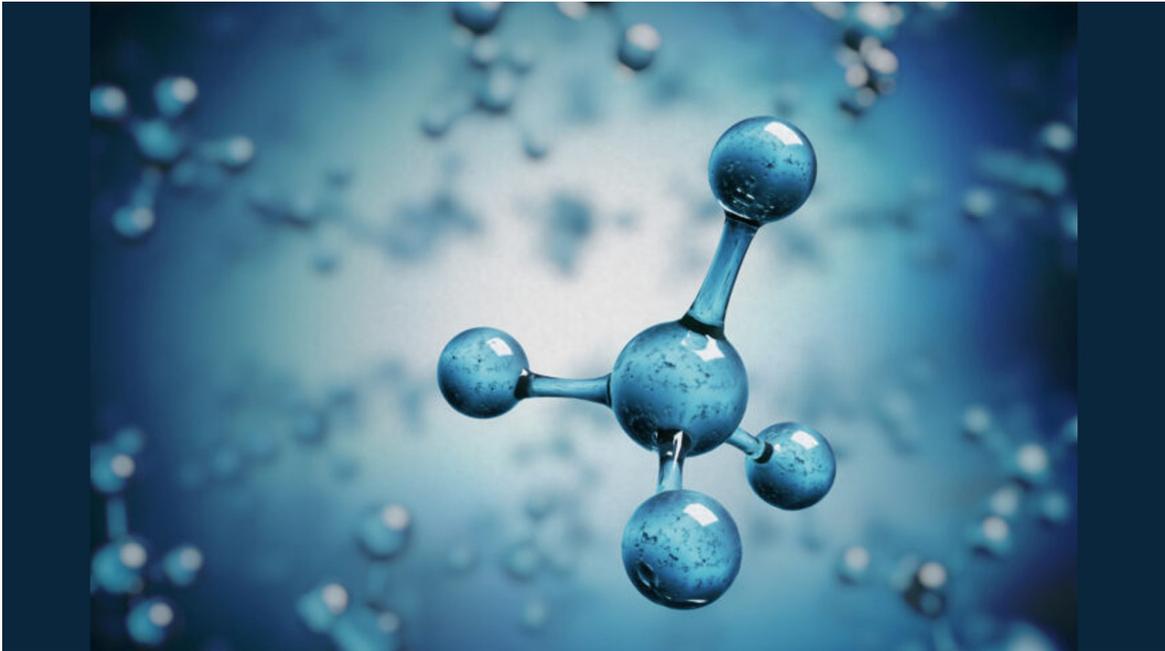
# SPIC embarks on Rs 970 crore expansion drive for urea production

The firm aims to increase urea production from 6.24 lakh tonnes to 9.12 lakh tonnes annually.

 by Staff Writer | May 20, 2024

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Southern Petrochemical Industries Corporation Ltd (SPIC), a prominent player in urea manufacturing and sales, is embarking on a Rs 970 crore capital expenditure initiative aimed at bolstering urea capacity and establishing a green ammonia plant. The initiative includes overhauling SPIC's existing urea plant to enhance capacity and constructing a 150-tonnes-per-day green ammonia unit, with the objective of improving plant stability and efficiency.

Ashwin Muthiah, Chairman of SPIC and Founder Chairman of AM International, conveyed that the expansion underscored their commitment to enhancing production capacity, diversifying operations, and fostering sustainable growth.

Through the upgrade of the urea plant and the broader capital expenditure plan, SPIC aims to increase urea production capacity from 6.24 lakh tonnes to 9.12 lakh tonnes annually. Muthiah elaborated that they had substantially decreased their dependence on naphtha by transitioning to a sustainable supply of natural gas. He further highlighted that this transition had not only improved operational efficiency but also fortified their financial standing. By adopting natural gas, they had optimised their production capacity.

As of May 1, 2024, SPIC has finalised its transition to gas-based manufacturing and has been incorporated into the gas pool mechanism. Furthermore, Muthiah underscored SPIC's strong working capital and

openness to considering fundraising avenues if required. He emphasised that as a company that pays dividends, they aim to maintain a equilibrium between distributing dividends and retaining funds for future expansion.

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