

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 2200 TO BE ANSWERED ON: 15.12.2023

Investment in Fertilizer Production

2200: DR. SHASHI THAROOR:

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

- (a) whether it is true that the Government has shown reluctance in making new investments in the CPSE fertilizer production facilities in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether it is true that many CPSE fertilizer production facilities / units have been closed down in the past few years and if so, the details thereof;
- (d) the reason(s) for including the fertilizer sector as part of the non-strategic sector as per New Public Sector Enterprise (PSE) Policy for Atmanirbhar Bharat in the country;
- (e) whether it is true that Public Sector Enterprises in the non strategic sector of the country are being considered for privatization, wherever feasible which otherwise shall be considered for closure and if so, the details thereof; and
- (f) whether such steps will lead to private corporations getting the opportunity to control the linked sectors to agriculture which could adversely affect the small and marginal farmers in the country and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS)

(SHRI BHAGWANTH KHUBA)

(a) & (b): CPSEs under the administrative control of Department of Fertilizers have been making the new investments in various projects by utilizing Capital Expenditure (CAPEX) for providing the fertilizer production facilities in the country.

(c): No CPSE fertilizer production facilities units have been closed since 2019.

(d) & (e): As per the New Public Sector Enterprises (PSEs) Policy for Atmanirbhar Bharat issued by DIPAM vide OM dated 04.02.2021, the Fertilizer Sector has been classified as a 'non-strategic Sector'. It states that the PSEs in non-strategic sectors shall be considered for privatization, where feasible, otherwise such enterprises shall be considered for closure, if not profit making.

(f): The strategic disinvestment of a CPSE does not hamper the fulfillment of goods and services being provided to the society at large, because the privatized CPSE continues to provide its goods and services post-disinvestment as there is only a transfer of ownership from one shareholder to another shareholder and the CPSE continue to function. Moreover, strategic disinvestment of a CPSE is expected to lead to higher growth of the company, generation of more job opportunities and contribute to the overall growth of the economy. Farmers will continue to receive subsidized fertilizers under the prevalent subsidy mechanism.
