

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

UNSTARRED QUESTION NO:585  
ANSWERED ON:25.02.2010  
SETTING UP OF NEW FERTILIZER PLANTS  
Punia Shri P.L.

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

- (a) Whether the Government proposes to set up new fertilizer plants in public sector, cooperative sector and private sector in Uttar Pradesh;
- (b) if so, the details of such projects alongwith the time by which these are likely to be started;
- (c) whether the Government has any scheme to enhance the production capacity of the existing fertilizer plants and to review the closed units in the State; and
- (d) if so, the details thereof?

**Answer**

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

(a) to (d): 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. As regards expansion projects two companies viz. TATA Chemicals Limited, Babrala and INDO -GULF Fertilizers Limited in Uttar Pradesh (U.P.) have made investment in revamp to enhance their production capacity and the said units have shown their intent to double their existing capacity. Policy framework has also been provided to re-start M/S Duncan Limited, a closed plant in Kanpur, (U.P.). However, no definite time limit can be indicated at this stage.

Further, the Government has decided to revive the closed units of erstwhile Fertilizer Corporation of India Ltd. and Hindustan Fertilizer Corporation Ltd. including closed unit at Gorakhpur (FCIL), which fall under (U.P.), subject to finalization of fully tied up revival proposals. An Empowered Committee of Secretaries constituted under the chairmanship of Secretary (Fertilizers) to look into the various possible options for revival of these closed units including closed unit in the State of Uttar Pradesh has submitted its recommendation to the Government.