

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

STARRED QUESTION NO:201

ANSWERED ON:03.12.2009

NEW INVESTMENT POLICY FOR FERTILIZER SECTOR

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

- (a) whether the new investment policy for the fertilizer sector has been implemented;
- (b) if so, whether the fertilizer industry has responded positively towards the new investment policy;
- (c) If so, the names of the fertilizer units which have revamped their units so far ;
- (d) whether some units have asked the Government for assured availability of gas for their plant; and
- (e) if so, the reaction of the Government thereto?

**Answer**

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

(a) to (e): A statement is laid on the Table of House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 201 to be answered on 03-12-2009 regarding New Investment Policy for Fertilizer Sector.

Policy for New Investments in urea sector and long-term offtake of urea from joint venture abroad has been implemented vide notification no. 12012/12/2007-FPP dated 4th September 2008. The fertilizer Industry has responded positively towards the New Investment Policy by initiating investment decision for revamp/expansion of existing capacities.

IFFCO-Aonla – I & II, IFFCO-Phulpur – I & II, Chambal Fertilizers and Chemicals Limited (CFCL) – Gadepan – I&II, Nagarjuna Fertilizers and Chemicals Limited (NFCL) – Kakinada – I & II and the unit of Tata Chemicals Limited - Babrala have informed regarding availability of additional production of urea after revamp. Further, RCF, Thal; KRIBHCO- Hazira and NFL, Vijaipur have undertaken revamp of their units.

Companies have requested for firm availability of gas for taking final investment decision to undertake expansion of their existing units and for revival of closed units. The issue has been taken up with the Ministry of Petroleum & Natural Gas. The Empowered Group of Ministers (EGOM) in its meeting held on 27-10-2009 considered the demand of natural gas for expansion & revamp of fertilizer plants and revival of closed fertilizers plants and decided that they would be supplied natural gas as and when they are ready to utilize the gas.