

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

UNSTARRED QUESTION NO:4536  
ANSWERED ON:21.04.2015  
PROMOTE FERTILIZER INDUSTRY  
Mohan Shri P. C.

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

- (a) whether the Government is aware that a section of the fertilizer industry has urged the Government to look into the problems being faced by them and help to review the condition of the industry as well as to prevent imports;
- (b) if so, whether production of fertilizers had been suspended by several companies and the shortfalls of fertilizers has to be met by imports;
- (c) if so, whether the Government propose to take any steps to protect the fertilizer industry and become self-reliant under the 'Make in India' scheme; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) & (b): Yes, Madam. The government has received representations from Rashtriya Chemicals & Fertilizers (RCF), Deepak Fertilizers and Gujarat State Fertilizers & Chemicals (GSFC) limited regarding problems being faced by them, Gas supply to Deepak Fertilizers has been disconnected owing to the use of cheap domestic gas as feedstock due to non-formulation of recovery guidelines. Further, Government has stopped providing additional compensation to Madras Fertilizers Limited (MFL), Fertilizers & Chemicals Travancore Limited (FACT) and Gujarat Narmada Valley Fertilizers & Chemicals (GNFC) Limited for use of costly Naphtha/Fuel Oil, LSHS as feedstock for production of P&K fertilizers. The combined effect of above two issues has resulted in decline in production of P&K fertilizers by the afore-mentioned companies. Some of the urea units had also taken annual shutdown due to maintenance reasons. The gap in the demand and domestic production of fertilizers is met through imports.

(c) & (d): The Department notified New Investment Policy(NIP) - 2012 on 2nd January, 2013 and its amendment thereof on 7th October, 2014 to facilitate fresh investment and to make India self sufficient in the urea sector. As of now, this department has received 12 proposals for setting up of Revamp, Expansion, Revival and Greenfield plants from the project proponents based on the amendment to NIP - 2012, which are being examined by this department and will be finalized soon. Moreover, New Urea Policy (NUP) - 2015 is under the consideration of the Government of India.

So far as P&K is concerned, there is no such scheme/policy under consideration of this Department.