

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

UNSTARRED QUESTION NO:3661

ANSWERED ON:11.08.2015

New Fertilizer Plants

Biju Shri Parayamparanbil Kuttappan;Datta Shri Sankar Prasad;Dubey Shri Nishikant ;Kaushik Shri Ramesh Chander;Khan Shri Md. Badariddoza;Pradhan Shri Nagendra Kumar;Raut Shri Vinayak Bhaurao;S.R. Shri Vijay Kumar;Shetti Shri Raju alias Devappa Anna;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Simha Shri Prathap;Singh Shri Pashupati Nath;Vellaigounder Shri Elumalai

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

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

- (a) whether the Government proposes to set up new fertilizer plants in Public Private Partnership mode in various parts of the country;
- (b) if so, the details thereof along with the locations identified for the purpose;
- (c) the investment made by the Government for establishing new fertilizer plants during each of the last three years and the current year;
- (d) whether several States have submitted proposals for establishing fertilizer plants in their States, if so, the details thereof and the final decision taken by the Government in this regard; and
- (e) the steps taken/proposed to be taken by the Government to improve domestic production of fertilizers in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a) & (b): A New-Brownfield Ammonia-Urea Complex (Namrup-IV) having an installed capacity of 8.646 LMT is proposed to be installed in the premises of BVFCL at Namrup on equity participation basis. Proposed equity participation pattern for this complex is; 26% by OIL, 11 % by Govt. of Assam, 11% by BVFCL and rest 52% by successful bidder(s). Government of India is not involved directly in installation of this plant, therefore, no investment of the Government is proposed. The Union Cabinet has accorded its approval for setting up of this plant in its meeting dated 21.05.2015.

(c): No investment has been made by the Government of India for establishing new fertilizer plants during the last three years and current year.

(d): This department has received proposals from Government of Madhya Pradesh for setting up of fertilizer plants in Jabalpur, Jhabua and Shahdol districts of Madhya Pradesh. The Government of India has notified amendment to New Investment Policy – 2012 on 7th October, 2014 under which Kanpur Fertilizers & Cement Limited (KFCL) is pursuing a Greenfield Project at Jabalpur and Paradeep Phosphate Limited (PPL) is pursuing a Greenfield project at Jhabua.

This department has also received proposals for setting up a cooperative fertilizer factory from State Government of Karnataka in either Raichur or Vijayapura district of Karnataka. Government of Karnataka has been requested to provide a Nodal officer for further proceedings on the matter.

A proposal for setting a fertilizer plant in Chattisgarh has also been received by this department which has been forwarded to Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII) and Fertilizer Association of India for examination in light of the amendment to New Investment Policy (NIP) – 2012 dated 7th October, 2008 to facilitate fresh investment in urea sector and to make India self sufficient in the Urea Sector.

(e): To facilitate fresh investment in urea sector and to make India self sufficient in the urea sector, the Government notified amendment to New Investment Policy – 2012 on 7th October, 2014. This Department has received 7 proposals for setting up of Greenfield and Brownfield (Expansion) projects.

The Government has also notified the New Urea Policy (NUP)-2015 for existing gas based urea manufacturing units on 25th May, 2015 with the twin objectives of maximizing indigenous urea production and promoting energy efficiency in urea production while rationalizing subsidy burden on the Government. It is expected to prepare the domestic urea sector to become globally competitive in terms of energy efficiency over a period of three years.

The Department of Fertilizers has been implementing Nutrient Based Subsidy (NBS) Policy for Phosphatic & Potassic (P&K) fertilizers w.e.f. 1.4.2010. Under the NBS Policy, a fixed amount of subsidy decided on annual basis is provided on each grade of the

subsidized P&K fertilizers depending upon its nutrient content. The Maximum Retail Prices of P&K fertilizers are fixed by the fertilizer companies at reasonable level based on the market dynamics.

The Department does not monitor or has control over production of P&K fertilizers companies.

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