

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

UNSTARRED QUESTION NO:4681
ANSWERED ON:12.08.2014
RENOVATION OF FERTILIZER FACTORIES
Biju Shri Parayamparanbil Kuttappan

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

- (a) whether the Government has any policy to increase production of fertilizer in the country by adopting modern technology;
- (b) if so, the details thereof;
- (c) whether the Government proposes to renovate the plants of the Fertilizer and Chemicals Travancore Limited (FACT) in Kerala;
- (d) if so, the details thereof; and
- (e) the present production quantity of various fertilizers at FACT in Kerala?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHAL CHAND)

(a) & (b): The New Investment Policy (NIP)-2008 aimed at attracting investment in urea sector by linking concession price to the Import Parity Price. Under this aforementioned policy, sixteen units have undertaken revamp which has resulted in production of around 20 lakh metric tonne of urea per annum.

The Government had notified the New Investment Policy (NIP)-2012 on 2nd January, 2012 to facilitate fresh investment in urea sector in future to reduce India's import dependency in urea production. Under NIP-2012, the energy norms of new projects will be recognized at 5 Gcal/MT, which is comparable to the best urea units around the world.

(c) & (d): During the current year 2014-15, FACT has submitted a proposal to the Government of India for release of fund for renovation of fertilizer plants of FACT.

They have submitted a comprehensive financial relief package for the long term sustainable operation of the company. BRPSE at its meeting held on 20.12.2013 have recommended a financial relief to FACT which includes infusion of fresh funds, waiver of GOI loans & interests, grant of additional compensation for use of LNG etc.

The recommendation of the BRPSE is under the consideration of Department of Fertilizers for seeking the approval of Cabinet.

(e) : The installed capacity of the fertilizer plants of FACT and actual production during the year 2013-14 is given below:

| Product | Installed Capacity (MT) | Actual Production (MT) |
|-----------|-------------------------|------------------------|
| Ammonium | 225000 | 178792 |
| Sulphate | | |
| Factamfos | 633500 | 660079 |