

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

UNSTARRED QUESTION NO:280  
ANSWERED ON:25.11.2014  
NEW UREA PROJECTS  
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**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) whether it is a fact that the Government has prescribed strict norms for new urea projects whereby the companies will have to furnish Rs. 300 crore bank guarantee for such projects;
- (b) if so, the details thereof and the reasons therefor and the corrective measures being taken by the Government to promote Private players for producing urea in the country;
- (c) the details of companies proposed to set up new urea projects; and
- (d) the steps taken by the Government to meet the requirement of fertilizers in the country?

**Answer**

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a) & (b): Yes, Madam. As per the para (ii) of the notification dated 7th October, 2014 regarding amendment to New Investment Policy (NIP)-2012, so as to ensure seriousness/ credibility of the project proponents under NIP-2012 and for timely execution of the projects, all the project proponents will be required to furnish Bank Guarantee (BG) of Rs 300 crores for each project. The BG will be linked to milestones in the project cycle. Out of Rs. 300 crores, Rs. 100 crores of BG will be released after finalization of LSTK/ EPCA contractors and release of advance of the contractor's amount; Rs. 100 crores of BG will be released on completion of requirements ordering and supply to the site or midpoint of the project cycle, whichever is earlier; and the balance of Rs. 100 crores of BG on completion of the project. PSUs are, however, exempted from furnishing the BG.

(c): As of now, Department of Fertilizers has received the following Brownfield/Greenfield /Revamp/ proposals/projects:

S. No.	Company	Projects	Ownership	State
1.	Zuari Agro Chemicals Limited	Revamp of Ammonia-Urea project at Zuarinagar.	Private	Goa
2.	IGFL-Jagdishpur	Brownfield Expansion urea project at Jagdishpur.	Private	Uttar Pradesh
3.	CFCL-Gadepan	Brownfield of Ammonia-Urea units at Gadepan-Kota.	Private	Rajasthan
4.	GNVFC-Bharuch	Brownfield Ammonia-Urea project at Bharuch.	State JV	Gujarat
5.	GSFC-Vadodara	Greenfield Ammonia-Urea project at Dahej.	State PSU	Gujarat
6.	MATIX Fertilizers & Chemicals ltd.	Brownfield Ammonia-Urea Fertilizers Complex at Panagarh.	Private	West Bengal
7.	RCF-Thal	Brownfield Ammonia-Urea Expansion project at Thal.	CPSU	Maharashtra
8.	FACT-Kochi	Brownfield Ammonia-urea project at Udyogamandal, Kochin.	PSU	Kerala
9.	Kanpur Fertilizers & Cements Limited	Brownfield Project at Panki, Kanpur	Private	Uttar Pradesh
10.	Bharat Coal Chemicals Ltd	Coal Gasification based Ammonia and urea project, Paradip	Private	Odisha
11.	Nagarjuna Fertilizers & Chemicals Ltd.	Brownfield Project at Kakinada, Andhra Pradesh	Private	Andhra Pradesh

(d): The following steps are being taken by the Government to meet the requirement of fertilizers to the farmers in all the State/UTs:-

1. The month-wise demand is assessed and projected by the Department of Agriculture & Co-operation (DAC) in consultation with the State Governments before commencement of each cropping season.
2. On the basis of month-wise & state-wise projection given by DAC, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability through following system:

(i) The movement of all major subsidized fertilizers is being monitored throughout the country by an on-line web based monitoring system ([www.urvarak.co.in](http://www.urvarak.co.in)) also called as Fertilizer Monitoring System (FMS);

(ii) The State Governments are regularly advised to coordinate with manufacturers and importers of fertilizers for streamlining the supplies through timely placement of indents for railway rakes through their state institutional agencies like Markfed etc.

(iii) Regular Weekly Video Conference is conducted jointly by Department of Agriculture & Cooperation (DAC), Department of Fertilizers (DoF), and Ministry of Railways with State Agriculture Officials and corrective actions are taken to dispatch fertilizer as indicated by the State Governments.

(iv) The gap in the demand and domestic production of fertilizer is met through imports.