

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 1455 TO BE ANSWERED ON: 20.12.2022

**Self reliance in fertilizer production**

**1455. DR. ANBUMANI RAMADOSS:**

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

- (a) whether Government has any policy proposal to become self reliant in fertilizer production except potash
- (b) if so, the details thereof;
- (c) whether Government will provide the details of investment made in the last five years in this sector, especially in the State of Tamil Nadu;
- (d) if so, the details thereof, State-wise and production capacity-wise?

**ANSWER**

MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

**(SHRI BHAGWANTH KHUBA )**

(a) & (b): The Government had announced New Investment Policy (NIP) – 2012 on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP – 2012 read with its amendment. These are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix); Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL); Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd.(RFCL); and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL). Each of these units have the installed urea production capacity of 12.7 Lakh Metric Tonne per annum. Therefore, these units have together added 76.2 LMT per annum in the existing indigenous urea production capacity of the country.

Further, an exclusive policy has been notified on 28<sup>th</sup> April 2021 for the revival of Talcher unit of FCIL by setting up a new greenfield urea plant of 12.7 LMT per annum at coal gasification route.

The Government has notified the New Urea Policy (NUP) – 2015 on 25<sup>th</sup> May, 2015 with one of the objectives of maximizing indigenous urea production. The NUP-2015 has led to additional production from existing urea units due to which the actual production of urea has increased by 20-25 LMTPA in comparison to the actual production during 2014-15.

Further, Government has taken following steps for self-reliance in fertilizer production:

- i. DoF granted permission to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, MP for production of DAP/NPK with installed capacity 1,20,000 MT per annum.
- ii. DoF granted permission to Pararadeep Phosphates Ltd to manufacture additional DAP/NPK complex to the tune of 8 LMT per annum utilizing the 2 trains of ZACL Goa plant.
- iii. RCF, Thal has been granted permission for a new DAP/NPK plant with annual capacity of 5 LMT and FACT, Kochi also planned a DAP/NPK plant with annual capacity of 5.5 LMT.
- iv. Additional Cost on production/ imports of DAP from 25.10.2021 to 31.3.2022 within a ceiling of Rs. 8000 at no profit/ no loss has been provided.
- v. PDM or Potash Derived from Molasses (0-0-14.5-0) has been included under NBS scheme.
- vi. Freight Subsidy on SSP which is an indigenously manufactured fertilizers has been made applicable for Kharif and Rabi 2022.
- vii. Exploration of minerals for raw materials for DAP & other fertilizers in India, in consultation with Ministry of Mines, GSI, MECL, FAGMIL and concerned State Governments is a continuous process.

(c): Government has not made investment directly. However, under NIP-2012 read with its amendment, it has facilitated setting up of new urea units. As per provisions of NIP-2012, subsidy is given to urea manufacturing units by the Government only upon domestic sale for a period of 8 years from the date of start of production to enable the investors to recover their investments. Only those units whose production started within five years from the date of the amendment notification dated 7<sup>th</sup> October, 2014 are covered under the policy. Accordingly, the tenure of NIP has ended on October, 2019. However, with the approval of CCEA, the provisions of NIP-2012 have been extended for the urea units mentioned in point (a) above.

(d): In view of (c) above, question does not arise.