

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

RAJYA SABHA
UNSTARRED QUESTION NO. 1299
TO BE ANSWERED ON 01.08.2023

**SCHEMES FOR INCREASING PRODUCTION OF CHEMICALS AND
FERTILIZERS**

1299. SHRI VIJAY PAL SINGH TOMAR:

SHRI HARNATH SINGH YADAV:

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

- (a) the details of various schemes under the ambit of the Ministry to increase the indigenous production of chemicals and fertilizers;
- (b) the details of the schemes/projects including the funds provided, expenditure incurred and the number of beneficiaries during the last three years;
- (c) whether any specific system has been introduced to help producers to become more competitive in the global market; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS

(SHRI BHAGWANTH KHUBA)

(a) to (d): The Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate 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. 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. These units have together added 76.2 LMT per annum in the existing indigenous urea production capacity of the country which is currently 283.74 LMT.

Further, an exclusive policy has been notified on 28th 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 25th May, 2015 with one of the objectives being maximizing indigenous urea production. The NUP-2015 has led to

additional production of urea by 20-25 LMTPA as compared to the production during 2014-15.

Urea Subsidy Scheme is a Central Sector Scheme of the Ministry of Chemicals & Fertilizers, under which Urea is presently provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers of the country are being supplied urea at the subsidized rates.

Details of funds allocated and expenditure for indigenous Urea and indigenous P&K Subsidy Schemes during last three years is as below:

(Rs.in Crore)

Financial Year	Indigenous Urea	Indigenous P&K	Total
2020-21 Allocation	74487.80	23901.53	98389.33
2020-21 Expenditure	68807.41	22288.37	91095.78
2021-22 Allocation	54619.72	34062.66	88682.38
2021-22 Expenditure	54619.72	31931.46	86551.18
2022-23 Allocation	127311.10	50089.67	177400.8
2022-23 Expenditure	127311.10	50089.67	177400.8

In addition, Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/semi-annual basis, is provided on subsidised P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. Presently 25 grades of NPK fertilizers are subsidised. Accordingly, the latest subsidy rates for P&K fertilizers under the NBS Scheme are as under:

S.No.	Nutrients	NBS rates for Kharif 2023 (Rs. Per kg of nutrient) (from 1.4.2023 to 30.9.2023)
1.	N	76.49
2.	P	41.03
3.	K	15.91
4.	S	2.80
