GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

RAJYA SABHA
UNSTARRED QUESTION No. 1936
TO BE ANSWERED ON 18TH MARCH 2025

Promotion of domestic production of APIs and fertilizers

1936 Smt. Kiran Choudhry:
Shri Narhari Amin:
Shri Narayana Koragappa:
Dr. Bhim Singh:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

(a) the steps being taken to reduce dependence on imported active pharmaceutical ingredients (APIs) and promote domestic production;
(b) the manner in which the Ministry is ensuring a steady and affordable supply of fertilizers to farmers, especially in remote areas;
(c) whether there are any upcoming policy changes or Government initiatives aimed at boosting foreign investment in the country's chemicals and fertilizer sectors;
(d) if so, the details thereof; and
(e) the schemes implemented so far for making the country self-reliant in the production of fertilizers along with their impact?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): The Government of India has taken number of steps to reduce dependence on imported active pharmaceutical ingredients (APIs) and promote domestic production. These include the following:

(i) PLI Scheme for Bulk Drugs has a financial outlay of ₹6,940 crore and the production tenure is from FY 2022-23 to FY 2028-29. The financial incentive is to be given for manufacturing of identified products. A total of 48 projects have been selected under the scheme, of which 34 projects have been commissioned for 25 bulk drugs. Against committed investment of ₹3,938.57 crore, investment worth ₹4,253.92 crore have been realised under the scheme. As on December 2024, the cumulative sales made by the applicants under the scheme is ₹1,556.04 crore which includes exports worth ₹412.42 crore.

(ii) PLI Scheme for Pharmaceuticals, with a financial outlay ₹15,000 crore and the production tenure from FY 2022-23 to FY 2027-28, provides financial incentive to 55 selected applicants for manufacturing of identified products under three categories for a period of six years. The product category two covers the APIs/KSMs/DIs except for the eligible products already covered under the PLI Scheme for Bulk Drugs. As on December 2024, the cumulative sales made by the applicants for category two product is ₹53,035 crore which includes exports worth ₹32,627 crore.

(iii) Under the Scheme for Promotion of Bulk Drug Parks, three bulk drug parks have been approved for development, one each in Bharuch (Gujarat), Nakkapalli (Andhra Pradesh) and Una (Himachal Pradesh) districts. Government of India is supporting with financial assistance to the tune of ₹1,000 crore per park. These parks are at different stages of development.

(b): As per the information provided by the Department of Fertilizers, the following steps are taken by the Government every season for ensuring timely and adequate availability of fertilizers in the country, including the remote areas:

(i) Before the commencement of each cropping season, the Department of Agriculture and Farmers Welfare (DA&FW), in consultation with State Governments, assesses the State-wise and month-wise requirement of fertilizers.

(ii) On the basis of the requirement projected, the Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitoring availability.

(iii) The movement of all major subsidised fertilizers is monitored throughout the country by an online web-based monitoring system called the Integrated Fertilizer Monitoring System.

(iv) Regular weekly video conference is conducted jointly by DA&FW and the Department of Fertilizers with State Agriculture Department officials, and corrective actions are taken to despatch fertilizers as indicated by State Governments.

(c) and (d): As per information provided by the Department of Fertilizers, there is no upcoming policy change or Government initiatives in this regard.

(e): As per the Department of Fertilizers, with regard to urea, the Government had announced the New Investment Policy (NIP) – 2012 on 2.1.2013 and amended the same on 7.10.2014, to facilitate fresh investment in the urea sector and to make India self-sufficient in the same. A total of six new urea units have been set up under NIP-2012, which include four urea units set up through joint venture companies (JVCs) of nominated public sector undertakings and two urea units set up by private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Limited in the State of Telangana and three urea units, namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak and Rasayan Limited in the States of Uttar Pradesh, Jharkhand and Bihar respectively. The units set up by private companies are the Panagarh urea unit of Matix Fertilizers and Chemicals Limited in the State of West Bengal, and the Gadepan-III urea unit of Chambal Fertilizers and Chemicals Limited in the State of Rajasthan. Each of these units has an installed capacity of 12.7 lakh metric tonnes per annum (LMTPA). These units are highly energy-efficient, as they are based on latest technology. Together, these units have added urea production capacity to the tune of 76.2 LMTPA, thereby increasing total urea production capacity from 207.54 LMTPA during the financial year (FY) 2014-15 to 283.74 LMTPA during FY 2023-24.

In addition, the Government has notified the New Urea Policy (NUP) – 2015 on 25.5.2015 for the existing 25 gas-based urea units, with one of the objectives being maximising of indigenous urea production. NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during FY2014-15. Together, these steps have facilitated increase in urea production from 225 LMTPA during FY 2014-15 to a record urea production of 314.07 LMT during FY 2023-24.

With regard to phosphatic and potassic (P and K) fertilizers, the Government has implemented Nutrient Based Subsidy (NBS) Policy with effect from 1.4.2010. Under the policy, a fixed amount of subsidy, decided on annual or biannual basis, is provided on notified phosphatic and potassic fertilizers, depending on their nutrient content. The phosphatic and potassic fertilizer sector is decontrolled and fertilizer companies manufacture, import or develop domestic production capacities of fertilizers as per market dynamics. Further, to reduce dependency on imported fertilizers, the following measures have been taken by the Government and the private sector:

(i) Based on requests, new manufacturing units or increase in manufacturing capacity of existing units have been recognised or taken on record under the NBS scheme, with a view to boost manufacturing and make the country self-reliant in fertilizer production.

(ii) Potash derived from molasses, which is 100% indigenously manufactured fertilizer, has been notified under the NBS scheme.

(iii) Freight subsidy on single super phosphate, which is an indigenously manufactured fertilizer, is applicable since Kharif 2022 to promote its usage for providing phosphatic nutrient to the soil.

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