

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 3383 TO BE ANSWERED ON: 01.04.2025**

**Conversion of Fertilizer Sector into a Strategic Sector**

**3383. DR. ANBUMANI RAMADOSS:**

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

- (a) whether Government has any proposal to convert the fertilizer sector into a strategic sector from Non-strategic sector as this sector directly ensures food security of our nation, if not, the reasons therefor; and
- (b) whether Government has achieved self reliance in the production of Potash, Phosphate and Nitrogen needed for increasing the production of food grains and other agricultural products, if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

**(SMT. ANUPRIYA PATEL)**

(a): No. The New Public Sector Enterprise ("PSE") Policy for Atmanirbhar Bharat was approved by Cabinet Committee on Economic Affairs (CCEA) on 27th January 2021 and notified on 4th February, 2021.

Under the "New Public Sector Enterprise ("PSE") Policy for Atmanirbhar Bharat", the following four Sectors have been broadly categorized as strategic sectors based on the criteria of national security, energy security, critical infrastructure, provision of financial services and availability of important minerals:

- Atomic Energy, Space and Defense;
- Transport and Telecommunication;
- Power, Petroleum, Coal and other minerals; and
- Banking, Insurance and Financial Services.

(b): With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th 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 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam

Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA during 2023-24. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield urea plant of 12.7 LMTPA at coal gasification route has also been approved.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually. Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

With regard to P & K fertilizers, the P&K sector is decontrolled and the fertilizer companies manufacture/import/develop domestic production capacities of fertilizers as per the market dynamics. Further, to reduce dependency on imported fertilizers, the following measures have been taken by the Government:

(i) Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS subsidy scheme. The number of P&K fertilizers covered under NBS policy has also been increased to from 22 grades in 2021 to 28 grades at present with a view to boost manufacturing and make country self-reliant in fertilizer production. 06 new grades added are NPK 08-21-21, NPK 09-24-24, Potash Derived from Molasses (PDM) (0-0-14.5-0), NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur, Urea-SSP Complex 5-15-0-10 and SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron.

(ii) Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is applicable since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

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