GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. **1794** TO BE ANSWERED ON **05.08.2025**

Challenges in fertilizer production and distribution

1794: Shri Raghav Chadha:

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

(a) whether Government is aware of the continued dependence of the country on imports for urea, phosphatic and potassic fertilizers;

(b) if so, the steps being taken to reduce this dependence and promote domestic production;

(c) whether delays have occurred in the revival of closed fertilizer plants; and

(d) the measures adopted to modernize and enhance the efficiency of public sector fertilizer units?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): The gap between demand (requirement) and production of fertilizers is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

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. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25thMay, 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. During 2024-25, 306.67 LMT of Urea was produced in the country.

Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. Under NBS policy, P&K fertilizers are covered under Open General License (OGL) and companies are free to import these fertilizers as per their business dynamics.

To reduce import dependence and promote domestic production of P&K fertilizers, 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, with a view to boost manufacturing and make country self-reliant in fertilizer production.

(ii) The number of P&K fertilizers covered under NBS policy has increased from 22 grades in 2021 to 28 grades with a view to boost manufacturing and make country self-reliant in fertilizer production.

(iii) 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.

(c): In order to promote indigenous production of Urea in the country, Government of India mandated revival of Ramagundam (Telangana), Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Talcher (Odisha) units of Fertilizer Corporation of India (FCIL) and Barauni (Bihar) unit of Hindustan Fertilizer Corporation Ltd. (HFCL) through Joint Venture Company (JVC) of nominated PSUs for setting up new ammonia-urea plants of 12.7 LMTPA capacity each. The Ramagundam and Gorakhpur units have been commissioned on 22.03.2021 and 07.12.2021 respectively. Also, Barauni and Sindri units started Urea production on 18.10.2022 and 05.11.2022 respectively. These plants have added 50.8 LMT per annum of indigenous Urea production in the country. Currently, Talcher unit is under execution phase. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup Assam on 19.03.3025. On completion of the project, the production of Urea in the country will increase by 25.4 LMTPA and this will assist in maximizing the indigenous production of Urea

(d): 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, with each having production capacity of 12.7 LMT per annum. Therefore, these units have together added urea production capacity of 76.2 LMT per annum. These new urea plants have been established with latest/modern technology designed for much lower energy consumption, around 5.0 Gcal/MT. With the objective of promoting energy efficiency and maximizing indigenous urea production, New Urea Policy (NUP) - 2015 was made effective from 1st June 2015. Under this policy, Target Energy Norms were given to the urea units. The urea units were expected to achieve TEN for which the units have resorted to the latest technological up gradation in the plants. Implementation of NUP-15 norms has resulted in significantly improving energy consumption of Urea plants from 6.04 Gcal/MT during 2014-15 to around 5.56 Gcal/MT during 2024-25.

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