GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. **1776** TO BE ANSWERED ON **04.08.2026**

Reducing Import Dependence in Fertilizers

1776 # Shri Manan Kumar Mishra:
Smt. Maya Naroliya:
Shri Mayankkumar Nayak:
Shri Subhash Barala:
Shri Babubhai Jesangbhai Desai:

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

(a) the steps taken by Government since 2014 to reduce dependence on imports of fertilizers and fertilizer raw materials through enhanced domestic production;
(b) whether Government has entered into long-term agreements with resource-rich countries for the supply of fertilizers and their raw materials;
(c) if so, the details thereof, country-wise;
(d) the measures taken to diversify the sources of fertilizer imports to ensure supply security; and
(e) the impact of these initiatives on the country's fertilizer import dependence during the last five years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a to e): 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 269.42 LMTPA during 2026-27. 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. Further, setting up of a new Brownfield Ammonia-Urea Complex named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL) with an annual capacity of 12.7 Lakh Metric Tonne of Urea through Joint Venture within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Assam has been approved. These two projects are under execution phase.

Also, the Government 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 the 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 2025-26, 293.30 LMT of Urea was produced in the country.

In addition to this, on 15.07.2026, CCEA approved National Investment Policy for Urea-2026 for Aatmanirbhar Bharat (NIPU-2026) for making fresh investments in Urea Sector.

To reduce dependence on imported ammonia, the Government is encouraging domestic production and procurement of Green Ammonia under the National Green Hydrogen Mission. Under the National Green Hydrogen Mission, the Strategic Interventions for Green Hydrogen Transition (SIGHT) scheme focuses on demand aggregation and procurement of Green Ammonia for the fertilizer sector, under which a provision has been made for procurement of approximately 7 LMT per annum of Green Ammonia by the Fertilizer companies for production of DAP/NPK fertilizers. Green Ammonia Supply Agreements (GASA) has been signed on 30th March 2026 between fertilizers companies and Solar Energy Corporation of India Limited (SECI) for 10 years. The supply of Green Ammonia to fertilizer Companies will begin after 3 years from the date of signing of GASA. As per the signed agreement differential amount between the cost of Green Ammonia and Grey Ammonia will be borne by the Department of Fertilizers.

The Government of India facilitates Indian fertilizer companies in entering into long term arrangements with overseas suppliers. In line with this, Indian companies have finalized agreements with Saudi Arabian and Russian companies for the annual supply of about 31 LMT and 26.50 LMT of Di-Ammonium Phosphate (DAP) respectively to India in this year. For Muriate of Potash (MOP), Indian companies have finalized agreements with suppliers from Russia (1.0 LMT), Germany (1.05 LMT) and Turkmenistan (2.75 LMT).

In respect of Rock Phosphate, agreements have been finalized with companies from Jordan (5.0 LMT), Morocco (18.0 LMT) and Togo (8.40 LMT) for supply in this year. For Phosphoric Acid agreements have been finalized for supply from Tunisia (3.60 LMT) and Senegal (5.0 LMT), during the current year. For Ammonia, another critical raw material, Indian companies have entered into agreements with Saudi Arabian (5.0 LMT) and Omani (3.50 LMT) companies for the supply in this year.

In view of recent global supply chain disruptions, Department has undertaken measures to diversify import sources by exploring procurement opportunities from various countries through engagement with Indian Missions abroad. These measures are aimed at strengthening the fertilizer supply chain, reducing vulnerabilities arising from global market disruptions and ensuring the uninterrupted availability of fertilizers in the country.

Further, the Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) and companies are free to import/ manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make country self-reliant measures have been taken to encourage domestic production through guidelines 18.01.2024 on reasonableness of MRP, wherein importers/manufacturers and integrated manufacturers are given reasonable profit of 8%/10% and 12% respectively; 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 Scheme; the number of P&K fertilizers covered under NBS Scheme has increased from 22 grades in 2021 to 28 grades; Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is being provided since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil. Further the rates of nutrients under NBS scheme are decided on biannual basis to ensure availability of fertilizers under the Scheme.

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