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

RAJYA SABHA
UNSTARRED QUESTION No. 1781
ANSWERED ON - 04/08/2026

STRENGTHENING DOMESTIC MANUFACTURING OF FERTILIZERS AND CRITICAL CHEMICALS

1781. SHRI LAHAR SINGH SIROYA:

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

(a) whether Government has introduced any new initiatives during 2026 to strengthen domestic manufacturing of fertilizers and critical chemicals and reduce import dependence;

(b) the details of measures taken to promote investment, innovation, research and environmentally sustainable production in the sector; and

(c) how these initiatives are expected to ensure timely availability of fertilizers to farmers, enhance industrial competitiveness and support the vision of Atmanirbhar Bharat?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): On 15th July, 2026, the Cabinet Committee on Economic Affairs has approved the National Investment Policy for Urea-2026 for Aatmanirbhar Bharat (NIPU-2026) to facilitate fresh investments in the urea sector. In addition to this, 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 lakh metric tonnes 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.

Further, Union Cabinet on 24th July, 2026, has approved the BHAVYA — Rasayan (Bharat Audyogik Vikas Yojana- Rasayan) Scheme for establishing three dedicated

Chemical Parks in the country with a total Budget outlay of Rs. 3030 Crore under the Challenge Route. Under the Scheme, the Central Government will provide financial assistance of up to Rs. 1,000 Crore for each Chemical Park subject to a minimum contribution of Rs. 500 Crore by the respective State Government.

(b) To (c): Following initiatives have been undertaken to promote investment, innovation, research and environmentally sustainable production in the sector with the objective of enhancing competitiveness of the sector as well as towards increased availability of chemicals and fertilisers for the users:

1. Fertilizer Sector:

Government has implemented the New Investment Policy (NIP)-2012 to facilitate fresh investments in the urea sector and make India self-sufficient in urea production.

Under this policy, a total of six new urea units have been established, which includes four urea units that have been set up through Joint Venture Companies of nominated Public Sector Undertakings, while two urea units have been established by private companies. Each of these units has an installed capacity of 12.7 lakh metric tonnes per annum (LMTPA). Together, these units have added 76.2 LMTPA to the country's urea production capacity.

The Government also notified the New Urea Policy (NUP)-2015 on 25th May 2015 for the existing 25 gas-based urea units, with the objective of enhancing indigenous urea production. This has resulted in an additional production of 20–25 lakh metric tonnes of urea annually as compared to the production levels during 2014-15.

The above measures, collectively, have facilitated an increase in urea production from 225 LMTPA during 2014-15 to a record production level of 314.07 LMTPA during 2023-24.

Further, with regard to Nano Fertilizers the Government of India is not directly involved in setting up of Nano Fertilizers Plants across the country. However, to promote research on Nano Fertilizers, the following Research and Development (R&D) studies have been undertaken with funding support from the Department of Fertilizers and fertilizer companies:

(I) An MoU has been signed between National Productivity Council (NPC) of India and Department of Fertilizers on 5th March, 2024 to undertake the Phase-I study of Nano Urea on "Evaluating Efficacy, Utility and Impact of Nano Urea in comparison to Conventional Urea" across ten states with a total outlay of ₹122.86 lakh. A Phase-II study by NPC has also been signed on 14th November 2025 for evaluating the extent of replacement of Conventional Urea by Nano Urea in same ten states mentioned above with a total outlay of ₹61.52 lakh.

(II) The Indian Council of Agricultural Research (ICAR) has also initiated a 2024–26 research project, funded by the Indian Council for Fertilizers and Fertilizer Technology Research (ICFFTR) with a total outlay of ₹160 lakh, on 17.05.2024 to evaluate the impact of Nano Fertilizers on crop growth, soil health, and nutrient uptake across diverse agro-ecological zones. The project involves several collaborating agricultural institutions across the country.

(III) An MoU has been signed with ICAR on 3rd November 2025 for undertaking a Network Project on the evaluation of nano urea on crop productivity and nitrogen use efficiency in diverse Agro-Ecological zones of India, jointly funded by fertilizer PSUs/cooperatives for implementing across multiple collaborating agricultural institutions for a period of five years. The project aims to evaluate the effect of Nano Urea on yield and quality of crops, understand the mechanisms of nitrogen assimilation an uptake in plant system, assess nitrogen use efficiency from Nano Urea, chemical fertilizers and soil through tracer studies, and examine the long-term impact of Nano Urea application on nitrogen balance and biological activity.

2. Chemical Sector:

(I) Petroleum, Chemical and Petrochemical Investment Region(s) (PCPIR)

Government of India notified the Petroleum, Chemical and Petrochemical Investment Region(s) (PCPIR) Policy, 2007 to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Region(s). PCPIRs are conceptualized in cluster-based approach with common infrastructure and basic utilities to provide a competitive environment conducive for setting up businesses. The PCPIRs promote the Chemical and Petrochemical sector in an integrated and environmentally friendly manner. Currently, three PCPIRs have been notified in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep). These three PCPIR regions have till date, attracted a total investment of Rs. 3,49,192 Crores and a total of 2246 industrial units have been set up which have generated employment for 3,71,263 individuals.

(II) Scheme for Setting up of Plastic Parks

The Scheme aims at setting up need-based Plastic Parks, with requisite infrastructure and enabling common facilities through a cluster-based approach, to consolidate and synergise the capacities of the domestic downstream plastic processing industry. The larger objective of the Scheme is to contribute by increasing investment, production, as well as employment generation. Under the Scheme, the Government of India provides grant funding up to 50 per cent of the project cost, subject to a ceiling of Rs. 40 crore per project. 10 Plastic Parks have been approved in the States of Madhya Pradesh (two Plastic Parks), Odisha, Jharkhand, Tamil Nadu, Uttarakhand, Chhattisgarh, Assam, Uttar Pradesh and Karnataka.

(III) Scheme for setting up of Centres of Excellence

Under the scheme, the Department provides grant-in-aid to Government educational and research institutions to improve existing technology and promote development of new applications in the field of Chemicals and Petrochemicals. The emphasis of the Scheme is on modernisation and upgradation of existing manufacturing processes as well as improving the quality of products. The Centres of Excellence (CoEs) are expected to work towards updating products for new uses, developing innovative product technology, improving production processes etc. Under the scheme, the Government of India provides financial support up to 50 per cent of the total project cost, subject to an upper limit of Rs. 5 crore. 18 CoEs have been approved in this regard.

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