

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO. 294 TO BE ANSWERED ON 20.07.2021

Neem Coated Urea

294: DR. MANOJ RAJORIA:

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

- (a) whether the Government is encouraging to install new plants under any special policy to promote Neem Coated Urea in the country;
- (b) the number of proposals received by the Government to install new plants under the New Investment Policy-2012 to make the country self-reliant in the field of urea;
- (c) whether the Government proposes to reduce the limit of bank guarantee of Rs.300 crores for each project in the New Investment Policy-2012 to encourage this sector; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF HEALTH & FAMILY WELFARE AND CHEMICALS & FERTILIZERS
(**SHRI MANSUKH MANDAVIYA**)

(a) & (b): The Government of India notified New Investment Policy (NIP)-2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. As per the provisions of the amendment to NIP-2012, only those units whose production starts within five years from the date of this amendment notification will be covered under the policy. Therefore, the tenure of NIP-2012 (read with its amendment) has ended on 6th October, 2019 and presently there is no policy in place in this regard.

Under NIP- 2012 read with its amendment, Matix Fertilizers & Chemicals Limited (Matix) has set up a new Greenfield Ammonia-Urea complex at Panagarh, West Bengal while Chambal Fertilizers & Chemicals Limited (CFCL) has set up a Brownfield project at Gadepan, Rajasthan. In addition to these, 5 closed units namely Ramagundam, Gorakhpur, Sindri and Talcher of Fertilizer Corporation of India Limited (FCIL) and

Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL) are also being revived under NIP-2012 read with its amendment dated 7th October, 2014. Since the production of urea through TFL is based on coal gasification technology, an Exclusive Subsidy Policy for urea produced through coal gasification route by Talcher Fertilizers Limited was notified by the Government on 28.04.2021.

Further, vide notification dated 25th May, 2015, it was made mandatory for all the domestic producers of urea to produce 100% as Neem Coated Urea with an extra MRP of 5% to be charged by the fertilizer manufacturing entities from farmers. Entire quantity of indigenously produced urea and imported urea is being neem coated w.e.f 1st September, 2015 and 1st December, 2015 respectively.

(c) & (d): Since, the tenure of NIP-2012 has ended on 6th October, 2019. Therefore, the question does not arise.
