

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION No. 1758 TO BE ANSWERED ON: 11.02.2022

Termination of Subsidy on Fertilizers

+1758: SHRI SATYADEV PACHAURI:

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

- (a) the steps taken to make India self-reliant in fertilizer production;
- (b) whether the Government proposes to end the subsidy on fertilizers; and
- (c) if so, the details thereof along with the timeline drawn in this regard?

ANSWER

MINISTER FOR HEALTH & FAMILY WELFARE AND CHEMICALS & FERTILIZERS

(DR. MANSUKH MANDAVIYA)

(a): 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. Four new urea units each having installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA), namely Matix Fertilizers and Chemicals Ltd (Matix), Chambal Fertilizers and Chemicals Ltd (CFCL), Ramagundam Fertilizers and Chemicals Ltd (RFCL) and Gorakhpur unit of Fertilizers and Chemicals India Ltd (FCIL) have been set up under this policy. Furthermore, revival of Sindri unit of Fertilizers and Chemicals India Ltd (FCIL) and Barauni unit of Hindustan Fertilizers and Chemicals Ltd (HFCL) each having installed capacity of 12.7 LMTPA is also included under the NIP-2012 read with its amendment. For the revival of Talcher unit of FCIL by setting up a new green field urea plant of 12.7 LMTPA, an exclusive policy has been notified on 28th April 2021. Further, Cabinet in its meeting held on 21.05.2015 inter-alia approved setting up of new urea plant of 8.646 LMTPA capacity in the existing premises of BVFCL which has been notified on 12.06.2015.

The Government of India has notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government. NUP-2015 also envisages the provision to incentivize beyond Re-assessed Capacity (RAC) production which led to increase in urea production by 20-25 LMTPA vis-a-vis the urea production during 2014-15.

With regard to Phosphatic and Potassic (P&K) fertilizers, India is 90% import dependent in case of Phosphate, either on raw material or finished fertilizer and 100% in case of Potash at present. However, the Government of India has taken various steps to increase domestic production of P&K fertilizers such as (i) permission has been granted to Madhya Bharat Agro product Limited Unit-II, Banda Sagar, MP for production of DAP/NPK 1.20 LMT per annum; (ii) Paradeep Phosphates Ltd is to manufacture additional DAP/NPK complex to the tune of 8 LMT per annum utilizing the 2 trains of ZACL-Goa Plant; (iii) RCF-Thal and FACT-Kochi to set up new DAP/NPK plants with annual capacity of 5 LMT and 5.5 LMT per annum, respectively; (iv) on exploration of minerals for raw materials for DAP & other fertilizers in India, discussion is in place with Ministry of Mines, GSI, MECL & PDIL; and (v) PDM or Potash Derived from Molasses (0-0-14.5-0) has also been included under NBS scheme vide notification dated 13.10.2021.

(b): No, Sir. There is no such proposal.

(c): In view of (b) above, the question does not arise.

XXXXXXX