

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3358 TO BE ANSWERED ON: 05.08.2022

Use of urea for Non-Agricultural Purposes

3358. SHRI JUAL ORAM:  
SHRI KIRTI VARDHAN SINGH:

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

- (a) whether the Government is aware of the fact that substantial amount of agriculture grade urea is being diverted for industrial use every year which leads to leakage of subsidy worth Rs. 6000 crores per year;
- (b) if so, the details thereof;
- (c) the steps taken/proposed to be taken by the Government to check such diversion(s) and the number of industries caught using agricultural grade urea along with the penal action initiated against them, State/UTwise; and
- (d) whether the Government has taken/proposes to take any steps to increase the production of industrial urea and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS  
(SHRI BHAGWANTH KHUBA)

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(a) to (c) : Fertilizers are declared as essential commodity under Essential Commodities Act, 1955 (EFC Act) and a strong enforcement mechanism is in place under Fertilizer Control and Movement orders (FCO&FMO) to stop any possible diversion of fertilizers for non-agriculture purpose. State Governments are adequately empowered under the act to take punitive action against any person violating its provisions and involved in hoarding, diversion etc.

Special Flying Squads constituted at GoI/ State level conduct surprise inspections/ raids on suspected industries to stop any diversion of urea to non-agriculture purpose and immediate action is initiated against erring companies as per the provisions of EC Act and Prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act: 1980.

In addition, a robust IT enabled system –Integrated Fertilizer Management System (iFMS) is developed by Department of Fertilizers to capture end to end details of Fertilizers in the supply chain. This system helps all stakeholders such as GoI, States, district level officers and fertilizer companies in continuous monitoring of Production, requirement, availability, Movement, and sale of fertilizers at field level.

(d): Department of Fertilizers has allowed Gujarat Narmada Valley Fertilizers & Chemicals (GNVFC) to produce/sell urea produced from Fuel Oil/ Low sulphur heavy stock (FO/LSHS) as feedstock for industrial purpose using old ammonia plant instead of scrapping it subject to the condition that the urea produced from old plant using FO/LSHS as feedstock will be allowed to be sold for industrial purposes and no subsidy shall be payable on such sale of urea for industrial purpose and in a situation where the cost of production of urea produced by GNVFC with FO/LSHS feedstock is lower than Import Parity Price of Urea, GNVFC will sell that urea for agricultural purposes only.

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