

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 5610 TO BE ANSWERED ON 04.04.2025

New Investment Policy

**5610: SHRI DUSHYANT SINGH,
SMT. BIJULI KALITA MEDHI,
SHRI BHARATSINHJI SHANKARJI DABHI:**

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

- (a) the manner in which the New Investment Policy (NIP)-2012 and its amendment in 2014 have contributed to India's self-sufficiency in Urea Production;
- (b) the steps taken by the government to encourage private investment in the urea and fertilizer sector;
- (c) whether any additional incentives are being considered for private companies to set up urea production units; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (d): 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 of 76.2 LMTPA thereby total production urea production capacity (RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA in 2023-24.

The Government has implemented Nutrient Based Subsidy Policy w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. The P&K sector is decontrolled, fertilizer companies are allowed to fix MRP at reasonable levels. The fertilizer companies manufacture/import fertilizers and do investment as per the market dynamics.
