GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. **5638** TO BE ANSWERED ON **04.04.2025**

Atmanirbhar Initiative

5638: SHRI DHAVAL LAXMANBHAI PATEL:

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

(a) the steps taken by the Government to promote domestic manufacturing of chemicals and fertilizers under the Atmanirbhar Bharat initiative;
(b) the progress made in reducing the country's dependence on imported raw materials for fertilizer production and the steps taken to ensure stable pricing and availability for farmers;
(c) the number of new manufacturing units established under this initiative and the employment generated; and
(d) the measures implemented to ensure environmental safety and compliance with pollution control norms in the chemical and fertilizer industries?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (c): To promote domestic manufacturing of chemicals in the country, Department has adopted a multi-pronged approach by improving infrastructure, boosting the role of research and development in the sector, improving the quality of manpower deployed in the sector by better skilling and attracting more foreign investment into the country. Details of these initiatives are indicated below:-

I. Infrastructure

- **Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs)**

Government of India has notified the PCPIR Policy to attract investment and for the generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs promote Chemical and Petrochemical sectors in an integrated and environment friendly manner

on a large scale. PCPIRs are conceptualized in a cluster-based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses. At present, three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors.

The status of implementation of these PCPIR projects is indicated below:-

Indicator	**Gujarat**	**Andhra Pradesh**	**Odisha**	**Total**
Location/ Region	Dahej, Bharuch	Vishakhapatnam – Kakinada	Paradeep	-
Approval	Feb, 2009	Feb, 2009	Dec, 2010	-
Total Area (Sq. kms.)	453.00	640.00	284.15	1377.15
Anchor Tenant	ONGC Petro Additions Limited (OPaL)	--	Indian Oil Corporation Ltd. (IOCL)	-
Investments made (Rs. Crore)	1,28,509	58,918	73,518	2,60,945
Employment generated (No.)	2,45,140	86,123	40,000	3,71,263
No. of Chemical Units	2079	154	13	2246

These PCPIRs has attracted investment of Rs. 2.61 lakh crore in Petroleum, Chemicals, Petrochemicals and ancillary industries and generated employment to 3.7 lakh persons.

- **Plastic Park Scheme**

A scheme has been formulated by the Department for setting up of need-based PlasticParks with requisite infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the Scheme, common infrastructure for the industrial units is provided including effluent treatment plant, solid/ hazardous waste management, facilities for plastic recycling, incinerator etc. Some of the Plastic Parks have also established in-house recycling sheds for recycling of plastic waste. 10 Plastic Parks have been approved so far.

II. Research & Development

- **Centres of Excellence (CoEs)**

The Department of Chemicals and Petrochemicals has formulated a scheme on setting up of Centres of Excellence. The objective is to provide grant-in-aid to educational and research institutions to improve existing technology and promote development of new applications of polymers, chemicals and plastics. The emphasis of the Scheme is on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. Under the scheme, the Government of India provides financial support upto 50% of the total project cost, subject to an upper limit of Rs. 5 crores. So far, 18 CoEs have been approved under the Scheme.

III. Skilling initiatives

The Central Institute of Petrochemicals Engineering & Technology (CIPET) is a technical education institution under the Department engaged in skill development, technology support, as well as academic and research activities for the promotion of the petrochemical and allied industry in the country. CIPET has 48 centres across the country which includes Institutes of Plastics Technology, Centres for Skilling and Technical Support and Schools for Advanced Research in Polymers. During 2023-24, CIPET provided training to 66,606 persons towards long term professional skill development as well as for short term vocational skill development.

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. 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 has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA at present.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production. The NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15.

These steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

The employment generation at Hindustan Urvarak & Rasayan Limited (HURL) across its three urea units—Gorakhpur, Sindri, and Barauni—is approximately 4,000, including 1,000 direct and 3,000 indirect jobs. Additionally, at the Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix), the total employment provided in the existing setup, including the marketing network, is 1,391 (as on 31.03.2025), consisting of 471 own employees and 920 contractual workers under various contracts. Furthermore, the Gadepan-III urea unit of Chambal Fertilisers and Chemicals Ltd. (CFCL) generates approximately 767 jobs, comprising 207 direct (on-roll) employees and 560 indirect (through contracts) workers.

With regard to P&K Fertilizers, following measures have been taken by the Government for making the country self-reliant in the production of fertilizers:

(i) Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized/taken on record under the NBS subsidy scheme, with a view to boost manufacturing and make country self-reliant in fertilizer production.

(ii) The number of P&K fertilizers covered under NBS policy has been increased from 22 grades in 2021 to 28 grades at present with a view to boost manufacturing and make country self-reliant in fertilizer production. 06 new grades added are NPK 08-21-21, NPK 09-24-24, Potash Derived Molasses (PDM) (0-0-14.5-0), NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur, Urea-SSP Complex 5-15-0-10 and SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron.

(iii) Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is applicable since Kharif, 2022 to promote SSP usage for providing Phosphatic or ‘P’ nutrient to the soil.

(b): Government mandated revival of Talcher unit of M/s FCIL, located in Angul district, Odisha. Accordingly, a Joint Venture Company named M/s. Talcher Fertilizers Ltd. (TFL) has been incorporated for setting up Coal Gasification-based Ammonia Urea Plant of 12.7 LMTPA capacity, which is first of its kind in India.

The under implementation TFL project has been envisaged for utilizing the abundantly available domestic coal for Urea production as it has emerged as the best possible option since the country is endowed with rich reserves of coal. On completion of the project, the production of urea in the country will increase by 12.7 LMTPA and will assist in maximizing the indigenous production of Urea and provide security in feedstock supply as coal would be sourced domestically and providing alternate route of urea production to diversify the feedstock risk in the sector.

Further, under Urea Subsidy Scheme, Urea is presently provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India. Accordingly, all farmers in the country are supplied urea at the subsidized rates and thereby are beneficiaries of this scheme.

For P&K fertilizers, Government monitors international prices of key fertilizers and raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers annually/bi-annually to ensure affordable supply of P&K fertilizers to the farmers. As far as DAP is concerned, to ensure affordability of DAP to the farmers, in view of the geo-political situation and price volatility, the MRP of DAP has been maintained at Rs.1350 per 50 Kg through one-time special package @Rs.3500 per MT and linking the subsidy to international market prices from 01.04.2024 to 31.03.2025.

Further, following steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers in the country:

i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the state-wise & month-wise requirement of fertilizers.

ii. On the basis of requirement projected, Department of Fertilizers allocates sufficient/adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.

iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web based monitoring system called integrated Fertilizer Monitoring System (iFMS);

iv. Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments.

(d): For the protection of environment and to prevent chemical accidents the Ministry under the Environment Protection Act, 1986, has notified several rules including (i) Manufacture, Storage and Import of Hazardous Chemical (MSIHC) Rules, 1989 (as amended), (ii) Chemical Accident (Emergency Planning, Preparedness and Response) Rules, 1986 (as amended) and (iii) Hazardous Waste Management Rules, 2016 (as amended). The Ministry has also notified the emission and discharge standards for fertilizer industry vide the notification G.S.R. 1607 (E), dated the 29th December, 2017.

Fertilizer industry is proactive in its efforts to minimize the impact of production of fertilizer to the environment. By and large, fertilizer industry is complying with standards prescribed under Environment Protection Rules, 1986 and regulations of State Pollution Control Boards. The environmental safety measures for compliance with pollution control norms are incorporated right from design stage. Fertilizer plants modernize and adopt measures to meet the requirement of new/revised standards. Industry over the years have undertaken measures to reduced GHG emissions from the production by improving energy efficiency, switching to cleaner feedstock like natural gas from coal, naphtha and fuel oil. Currently, feedstock for making urea in the country is natural gas. Fertilizer plants have adopted 3R methodology i.e reduce, reuse and recycle to reduce the wastewater generation and discharge. The fertilizer plants have made tremendous efforts to reduce the water consumption by adopting technologies for treating effluents and making it suitable for reuse as boiler feed water and make-up water in cooling towers. Further, plants are adopting measures to achieve zero liquid discharge (ZLD). International voluntary standards like IS/ISO 14001 on Environment Management System and ISO 18001 international standard for health and safety management systems have been adopted for continuous improvement by almost all major fertilizer companies.

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