GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION No. **954** TO BE ANSWERED ON **25.07.2025**

Self-Sufficiency in Urea

954: SHRI SURESH KUMAR SHETKAR:
SHRI MANICKAM TAGORE B:

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

(a) whether the target to achieve self-sufficiency in urea by the financial year 2025–26 is on track, given that urea imports were still 70.42 lakh tonnes in 2023–24 despite increased domestic production, if so, the details thereof;
(b) the measures being taken to reduce reliance on phosphatic and potassic fertilizers, with over 106 lakh tonnes imported last year and no domestic MOP production;
(c) whether import dependence persist despite a 15.5% rise in overall fertilizer output over the last two years, if so, the details thereof;
(d) the current status of fertiliser units revival projects across the country including Talcher, Gorakhpur, Barauni, Sindri and Ramagundam;
(e) the quantum of import substitution each project is estimated to contribute upon full commissioning; and
(f) whether in view of the heavy import of raw materials like rock phosphate and potash, the Government has adopted any long term strategies to ensure input security, without which fertilizer self-sufficiency remains unachievable and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7thOctober, 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 capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA during 2023-24. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield urea plant of 12.7 LMTPA at coal gasification route has also been approved. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam on 19.03.3025. On completion of the project, the production of Urea in the country will increase by 25.4 LMTPA and this will assist in maximizing the indigenous production of Urea.

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

Above 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. During 2024-25, 306.67 LMT of Urea was produced in the country.

(b) & (c): The Government has implemented on Nutrient Based Subsidy Policy 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. Under NBS policy, P&K fertilizers are covered under Open General License (OGL) and companies are free to import these fertilizers as per their business dynamics.

Further, there are no known sources of Potash in the country and India is 100% dependent on import for its potash requirement. Hence, Government has notified Potash derived from Molasses (PDM) - which is 100% indigenously manufactured fertilizer, under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021. Further, to reduce reliance on imported phosphatic and potassic fertilizers, following measures have been taken by the Government:

(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 from 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.

(d) & (e): In order to promote indigenous production of Urea in the country, Government of India mandated revival of Ramagundam (Telangana), Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) and Talcher (Odisha) units of Fertilizer Corporation of India (FCIL) and Barauni (Bihar) unit of Hindustan Fertilizer Corporation Ltd. (HFCL) through Joint Venture Company (JVC) of nominated PSUs for setting up new ammonia-urea plants of 12.7 LMTPA capacity each. The Ramagundam and Gorakhpur units have been commissioned on 22.03.2021 and 07.12.2021 respectively. Also, Barauni and Sindri units started Urea production on 18.10.2022 and 05.11.2022 respectively. These plants have added 50.8 LMT per annum of indigenous Urea production in the country. Currently, Talcher unit is under execution phase. Recently, the Union Cabinet has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of 12.7 Lakh Metric Tonnes (LMT) annual capacity of Urea production within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Assam on 19.03.3025. On completion of the project, the production of Urea in the country will increase by 25.4 LMTPA and this will assist in maximizing the indigenous production of Urea.

(f): The Government consistently engages in discussion with resource rich countries for enchancing the import of raw materials like rock phosphate and potash in the country. The Government also facilitates signing of Long-Term Agreements (LTAs/Memoranda of Understanding (MOUs) between Indian companies and overseas suppliers to ensure a steady and reliable supply of raw materials in the country. In the case of Rock Phosphate, Indian companies currently have agreements/MoUs for an annual supply ranging from 16,00,000 to 18,00,000 Metric Tonnes (MT) from Morocco, 5,00,000 MT from Jordan, 2,40,000 MT from Togo and 1,50,000 MT from Mauritania. For Potash, Indian companies have secured annual supply agreements/MoUs for 6, 50,000 MT from Russia, 6, 00,000 MT from Belarus and 1, 25,000 MT from Jordan.

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