GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

LOK SABHA
UNSTARRED QUESTION No. **2487**
TO BE ANSWERED ON **13TH FEBRUARY 2026**

Promotion of Domestic Production of Fertilizers

2487. Dr. Nishikant Dubey:

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

(a) the steps being taken by the Government to reduce dependence on imported Active Pharmaceutical Ingredients (APIs) and promote domestic production;
(b) the manner in which Government is ensuring a steady and affordable supply of fertilizers to farmers, especially in remote areas of the country;
(c) whether there are any upcoming policy changes/Government initiatives aimed at boosting foreign investment in chemical and fertilizer sectors of the country; and
(d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SMT. ANUPRIYA PATEL)

(a): The Government of India has taken number of steps to reduce dependence on imported active pharmaceutical ingredients (APIs) and promote domestic production. These include the following:

(i) *Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) in India (also known as PLI scheme for Bulk Drugs):* The scheme is aimed at avoiding disruption in supply of critical APIs used to make critical drugs for which there are no alternatives by reducing supply disruption risk due to excessive dependence on single source. The scheme has a budgetary outlay of ₹6,940 crore. Till December 2025, investment of ₹4,814 crore has already been made against an investment commitment of ₹4,329.95 crore over the period of six years in greenfield projects. Further, production capacities have been created for 26 KSMs/DIs/APIs, which were earlier primarily imported. The scheme has resulted in cumulative sales of ₹2,720 crore reported till December 2025, including exports of ₹527.96 crore, thereby avoiding imports worth ₹2,192.04 crore. The tenure of the scheme is till the financial year 2029-30.

(ii) *PLI Scheme for Pharmaceuticals*: The scheme is aimed at enhancing India’s manufacturing capabilities by increasing investment and production in the pharmaceuticals sector and contributing to product diversification to high-value goods in the pharmaceutical sector and incentivises production of high-value medicines such as biopharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry, auto-immune drugs, anti-cancer drugs, etc. as well as production of APIs/DIs/KSMs other than those notified under the PLI Scheme for Bulk Drugs. It has a budgetary outlay of ₹15,000 crore. As of December 2025, the committed investment of ₹17,275 crore targeted over the six-year period of the scheme stands substantially exceeded with cumulative investment of ₹41,920 crore made in both brownfield and greenfield projects. Further, 726 APIs/KSMs/DIs are being manufactured under the scheme, including 191 which have been manufactured for the first time under the scheme. Cumulative domestic sales of APIs/KSMs/DIs produced under the scheme till December 2025 is worth ₹28,067 crore and thereby contributing to import avoidance. The tenure of the scheme is till the financial year 2028-29.

(iii) *Scheme for Promotion of Bulk Drug Parks:* The scheme has a budgetary outlay of ₹3,000 crore, under which three bulk drug parks have been approved and are at various stages of development in the States of Andhra Pradesh, Gujarat and Himachal Pradesh, through their respective State implementing agencies. The total project cost of these parks is over ₹6,306.68 crore, with Central assistance to the tune of ₹1,000 crore each for creation of common infrastructure facilities. These parks envisage land and utilities such as power, water, effluent treatment plant, steam, solid waste management and warehouse facilities at a subsidised rate to bulk drug or API manufacturers for units set up in the park. The State implementing agencies of the States concerned have also offered fiscal incentives in the form of capital subsidy on fixed capital investment, interest subsidy, State Goods and Services Tax reimbursement, exemption of stamp duty and registration charges, etc. Further, the scheme provides for applicants for allotment of land in the parks to set up units for manufacturing products prioritised in the PLI Scheme for Bulk Drugs to have priority in land allotment.

(b): As per the information provided by the Department of Fertilizers, the following steps are taken by the Government every season for ensuring timely and adequate supply of fertilizers across the country, including the remote areas:

(i) Before the commencement of each cropping season, the Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise and month-wise requirement of fertilizers.
(ii) On the basis of requirement projected by DA&FW, the Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.
(iii) The movement of all major subsidised fertilizers is monitored throughout the country by an online web-based monitoring system called the Integrated Fertilizer Monitoring System.
(iv) Regular weekly video conference is conducted jointly by DA&FW and the Department of Fertilizers with State Agriculture Department officials, and corrective actions are taken to despatch fertilizers as indicated by the State Governments.
(v) The distribution of fertilizers within the State is done by the respective State Government.
(vi) Urea is provided to the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45kg bag of urea is ₹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 are being supplied urea at the subsidized rates.

(c) and (d): As per information provided by the Department of Chemicals and Petrochemicals, various initiatives are being taken to support the sector. The details are as under:

(i) *Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR):* To attract investments in chemicals and petrochemicals sector, Department had notified the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) Policy. PCPIRs are conceptualized as cluster-based model of development with common infrastructure and support services. Three PCPIRs have been set up at Dahej (Gujarat), Vishakhapatnam-Kakinada (Andhra Pradesh) and Paradeep (Odisha). Currently, 2,246 chemical units are functional in these PCIPRs having a cumulative investment of ₹3,49,192 crore and these regions have generated employment of 3.7 lakh persons.

(ii) *Plastic Parks:* The Department implements the Scheme for Setting up of Plastic Parks under the scheme of New Scheme of Petrochemicals. The Scheme promotes setting up of need-based Plastic Parks with requisite state-of-the-art 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, the Government of India provides grant funding up to 50% of the project cost to the State Government subject to a ceiling of ₹40 crore per project. In accordance with the Scheme Guidelines, 9 Plastic Parks have been approved so far and the same are at different levels of implementation.

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