GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. **3303** TO BE ANSWERED ON: **07.08.2026**

Establishment of Fertilizer Manufacturing Units in Amritsar

3303. **Shri Gurjeet Singh Aujla:**

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

(a) whether the Union Government is considering to support fertilizer unit in Amritsar to reduce import dependency, if so, the details thereof;

(b) whether it is true that such a unit would not only reduce transportation costs and import dependency, but also generate massive employment opportunities for local youth, support agriculture and reduce the burden of excessive subsidy by enabling cheaper domestic production, if so, the details thereof; and

(c) whether the proposal of such units under the schemes promoting self-reliance in agri-inputs and prioritise border areas like Amritsar for such strategic investment, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (c): 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 capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 269.42 LMTPA during 2026-27. 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. Also, setting up of a new Brownfield Ammonia-Urea Complex named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL) with an annual capacity of 12.7 Lakh Metric Tonne of Urea through Joint Venture within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Assam has been approved. These two projects are under execution phase.

Also, the Government 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 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 2025-26, 293.30 LMT of Urea was produced in the country.

In addition to this, on 15.07.2026, CCEA approved National Investment Policy for Urea-2026 for Aatmanirbhar Bharat (NIPU-2026) for making fresh investments in Urea Sector.

For P&K Fertilizers, the Government has implemented Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the Scheme, P&K fertilizers are covered under Open General License (OGL) revival, expansion and modernisation of manufacturing units and companies are free to import/ manufacture these fertilizers as per their business dynamics.

To reduce dependence on imported Phosphatic fertilizers and make country self-reliant measures have been taken to encourage domestic production through guidelines 18.01.2024 on reasonableness of MRP, wherein importers/ manufacturers and integrated manufacturers are given reasonable profit of 8%/10% and 12% respectively; 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 Scheme; the number of P&K fertilizers covered under NBS Scheme has increased from 22 grades in 2021 to 28 grades; Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is being provided since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil. Further the rates of nutrients under NBS scheme are decided on biannual basis to ensure availability of fertilizers under the Scheme.

To reduce the country's dependence on imports of fertilizer raw materials, the Government, under the Mode-2A of Strategic Interventions for Green Hydrogen Transition (SIGHT) scheme of National Green Hydrogen Mission (NGHM), MNRE, a provision has been made for procurement of approx. 7 LMT per annum of Green Ammonia for a period of 10 years by the Fertilizer companies for production of P&K fertilizers. Towards operationalization of this initiative, Green Ammonia Purchase Agreements (GAPA) between Green Ammonia Producers and Solar Energy Corporation of India Limited (SECI), and Green Ammonia Sales Agreements (GASA) between Fertilizer Companies and SECI, were signed on 30.03.2026.

However, at present there is no proposal for setting up or extending support to a urea fertilizer manufacturing unit in Amritsar is under consideration of the Government.

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