

Decarbonizing India's Fertilizer Sector and Strengthening The Nation's Energy Security

Historic Step Towards Sustainable Fertilizers, Energy Security and Self-reliance - JP Nadda

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Historic decarbonization efforts took a significant leap forward as the Department of Fertilizers (DoF), Government of India, achieved a major milestone in advancing the country's clean energy transition with the exchange of Green Ammonia Purchase Agreements (GAPA) and Green Ammonia Supply Agreements (GASA) between fertilizers companies and green ammonia producers. These agreements mark a crucial step toward operationalising Green Hydrogen and Green Ammonia projects under the National Green Hydrogen Mission (NGHM).



Exchange of Green Ammonia Agreements (11 projects) for the fertilizers sector under the National Green Hydrogen Mission took place at New Delhi in the august presence of Hon'ble Union Minister of Chemicals & Fertilizers, Shri JP Nadda; Hon'ble Union Minister of New and Renewable Energy Shri Pralhad Joshi; and Hon'ble Minister of State for Power and New & Renewable Energy.



Senior officials including **Shri Rajat Kumar Mishra, Secretary, Department of Fertilizers**, and **Shri Santosh Kumar Sarangi, Secretary, Ministry of New and Renewable Energy**, were also present, alongside CMDs/CEOs of Fertilizers units and green ammonia producers.

During the agreement signing ceremony, Hon'ble Union Minister of Chemicals and Fertilizers, Shri J. P. Nadda, said:

“The exchange of Green Ammonia Agreements marks a historic step in India’s journey towards sustainable fertilizer production. By integrating green ammonia into our supply chains, we are not only reducing carbon emissions but also ensuring long-term energy security and self-reliance. This initiative reflects the Government’s unwavering commitment to building a cleaner, greener future for our farmers and for the nation.”

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India currently produces approximately 165–170 LMT of Phosphatic and Potassic (P&K) fertilizers, including DAP and NPK variants. However, a significant portion of domestic production remains dependent on imported ammonia. Ongoing geopolitical developments have disrupted the global ammonia market, leading to volatility in both availability and prices, which in turn affects the stability of fertilizer production in India.

To address this challenge, Indian fertilizers companies have entered into long-term agreements for the supply of green ammonia at fixed prices for a period of 10 years. This strategic move is expected to ensure a stable and reliable supply of ammonia, thereby supporting consistent domestic production of P&K fertilizers and helping maintain price stability in the Indian market.

In addition, the adoption of green ammonia offers several broader benefits. It will help conserve foreign exchange by reducing import dependence, promote self-reliance in the fertilizer sector, and create new employment opportunities. Furthermore, it is likely to encourage investments in the development of green ammonia production capacity within the country. A stable supply environment will also attract new players to the fertilizers sector, leading to the establishment of additional manufacturing units in the future.



Overall, this transition towards green ammonia marks a significant step towards strengthening India's fertilizer security, enhancing sustainability, and building long-term resilience in the sector.

The agreements mark a key milestone in advancing green ammonia domestic production capacity and reducing import dependence.

The Government of India is implementing the NGHM with an outlay of ₹19,744 crore, targeting the production of at least **5 million metric tonnes (MMT) of green hydrogen per annum by 2030**. The Mission is designed to position India as a global hub for green hydrogen and its derivatives, while enabling sustainable growth and reducing dependence on imported fossil-based inputs.

The Department of Fertilizers, through close coordination with MNRE, SECI, and fertilizer manufacturers, is taking a decisive step toward building a **low-carbon, future-ready fertilizer sector**. This initiative marks a major leap in integrating green hydrogen derivatives into India's fertiliser value chain and reinforces the nation's commitment to clean energy transition.

Key Highlights

- Under the **Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme**, the **Solar Energy Corporation of India (SECI)** conducted competitive bidding for the supply of green ammonia to fertilizer units nationwide.
- The bidding process discovered highly competitive prices, ranging from **₹49.75 – ₹64.74 per kg**, significantly lower than international benchmarks (approx. ₹110 per kg).
- SECI has allocated a total capacity of **7,24,000 tonnes per annum (TPA)** of green ammonia supply, linked to **13 fertilizer units** across the country.
- The agreements exchanged today, with a tenure of **10 years**, provide long-term demand assurance, transparency, and investment security for scaling up green ammonia production.
- This initiative is expected to generate **foreign exchange savings of approximately \$2.5 billion over 10 years**, by substituting imported grey ammonia in non-urea fertilizer units.

Major Benefits for Fertilizer Sector

This initiative is expected to:

- **Significantly reduce carbon footprint** of the fertilizer industry
- Enable transition from grey to green ammonia
- Strengthen India's position as a competitive global supplier
- Result in **foreign exchange savings of ~\$2.5 billion over 10 years** through reduced ammonia imports
- Support long-term sustainability and self-reliance in fertilizer production

The following companies are scheduled to sign the agreements:

S. No.	Name of Fertilizer Company	Manufacturing Unit	Quantity of Green Ammonia (MT per year)	Developer / Winner	Discovered Price (Rs/kg)
1.	Indian Farmers Fertiliser Cooperative Limited (IFFCO)	Kandla (Gujarat)	1,00,000	ACME Cleantech	54.73
		Paradeep (Odisha)	1,00,000	ACME Cleantech	49.75
2.	Coromandel International Limited (CIL)	Kakinada (Andhra Pradesh)	85,000	Jakson Green & OCIOR	50.75
		Vishakhapatnam (Andhra Pradesh)	50,000	ACME Cleantech	51.89

3.	Paradeep Phosphates Limited (PPL)	Paradeep (Odisha)	75,000	ACME Cleantech	55.75
		Zuarinagar (Goa)	25,000	ACME Cleantech	62.84
	Paradeep Phosphates Limited (PPL)	Mangalore	15,000	SCC Infrastructure Pvt. Ltd	57.65
4.	Ostwal	Krishna Phoschem Limited, Meghnagar (Madhya Pradesh)	70,000	NTPC Renewable Energy	51.80
		Madhya Bharat Agro Products Limited-II, Sagar (Madhya Pradesh)	60,000	Oriana Power Limited	52.25
		Madhya Bharat Agro Products Limited-III, Dhule (Maharashtra)	70,000	SCC Infrastructure Ltd	53.05
6.	Indorama India Private Limited (IIPL)	Haldia (West Bengal)	20,000	ACME Cleantech	64.74

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