

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED Question No. **3387** TO BE ANSWERED ON **01.04.2025**

New Investment Policy for Urea Plants

3387: DR. KANIMOZHI NVM SOMU:

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

- (a) whether Government is planning to invest in 6 new urea plants with the quantum of 12.7 Lakh MT each under New Investment Policy;
- (b) if so, the details of the investments such as quantum of funds allocated, and the places identified;
- (c) whether Government is considering investing in the State of Tamil Nadu to facilitate fresh investment in establishing urea production facility under this scheme; and
- (d) if so, the details of the places and funds allocated, if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) & (b): In the Union Budget 2025-26, Government has announced that, “For Atmanirbharta in Urea production, Government had reopened three dormant Urea plants in the Eastern region. To further augment Urea supply, a plant with annual capacity of 12.7 lakh metric tons will be set up at Namrup, Assam”.

The Union Cabinet in its meeting held on 19th March, 2025 has approved the proposal for setting up of a new Brownfield Ammonia-Urea Complex of Namrup-IV Fertilizer plant with minimum capacity of 12.7 LMTPA of Urea production at Namrup within the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) at the estimated total project cost of ₹10,601.40 Crores with Debt Equity ratio of 70:30 on nomination basis through a joint Venture, under the New Investment Policy, 2012 read with its amendments on 7th October, 2014

Further, total 6 new Urea units have already 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 which is under execution.

The Government has not allocated funds for setting up of above plants. However, as per CCEA approval dated 01.08.2018, Interest Free Loan (IFL) of Rs. 894.80 crore which is equivalent to Interest during Construction (IDC) component for the construction period not exceeding three years from the zero date has been provided for 3 HURL projects. The details of the IFL are as under:-

| Project Name | IFL Amount (Rs. In Crore) |
|---------------------|----------------------------------|
| HURL-Gorakhpur | 350.55 |
| HURL-Barauni | 283.21 |
| HURL-Sindri | 261.04 |
| Total | 894.80 |

(c) & (d): Presently, there are two Urea units namely MFL-Chennai and SPIC-Tuticorin with the annual Re-assessed capacity of 4.86 LMT and 6.2 LMT respectively in Tamil Nadu. As of now, there is no proposal of the Government to establish new Urea unit in Tamil Nadu.
