

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 345 TO BE ANSWERED ON: 03.02.2026

Revival and expansion of urea manufacturing capacity

345: Shri Narayana Koragappa:

Shri Mokariya Rambhai:

Dr. Kalpana Saini:

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

- (a) the outcomes and details of the revival of the urea plants closed down in March 2025 and the approval of the Namrup-IV urea project;
- (b) the manner in which these revival efforts strengthened the availability of urea domestically, particularly in the eastern region;
- (c) whether Government has assessed additional capacity created and the reduction marked in imports as a result of the revival of the closed urea plants; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (d) 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 4 urea units, set up through Joint Venture Companies (JVC) of nominated PSUs, have been revived under NIP-2012. 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. 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 50.8 LMTPA. 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 which will be named as Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL). These two projects are under execution phase.

The Cabinet in its meeting held on 19.03.2025 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, at an estimated total project cost of Rs.10601.40 Crores with Debt Equity ratio of 70:30 through a Joint Venture (JV), under the New Investment Policy, 2012 read with its amendments on 7th October, 2014. BVFCL's 11% share is in lieu of tangible assets to be transferred to the Joint Venture company. The tentative overall time schedule for commissioning of the Project is 48 months.

A Joint Venture Company, namely, Assam Valley Fertilizer and Chemical Company Limited (AVFCCL) has been incorporated for implementation of the project.

Hon'ble Prime Minister has laid the foundation stone of Ammonia-Urea Fertilizer Project of Assam Valley Fertilizer and Chemical Company Limited at Namrup in Dibrugarh, Assam on 21.12.2025.

The Namrup-IV Fertilizer plant has been envisaged for strengthening fertilizer security in the North-Eastern region and enhancing domestic urea self-reliance. It will add energy-efficient urea production capacity, bridge domestic demand–supply gap, utilise nearby natural gas resources, and stimulate industrial and economic development in the North Eastern Region.

In addition, the Government also 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 2024-25, 306.67 LMT of Urea was produced in the country.

The Talcher Fertilizers Limited(TFL) and Assam Valley Fertilizer and Chemical Company Ltd. (AVFCCL) are under execution.

With regard to additional capacity created and the reduction marked in the imports as a result of the revival of closed urea plants, the production data and data related to imports of urea is as under:

S. No.	Year	Production of Urea (in LMT)	Imports of Urea (In LMT)
1.	2020-2021	246.05	98.28
2.	2021-2022	250.72	91.36
3.	2022-2023	284.94	75.80
4.	2023-2024	314.09	70.42
5.	2024-2025	306.67	56.47
6.	2025-2026(upto Dec-25)	224.53	79.97
