

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

**LOK SABHA**

**UNSTARRED QUESTION NO. 525**  
TO BE ANSWERED ON: **06.02.2018**

**Investment in Urea Sector**

**525: SHRIMATI POONAMBEN MAADAM:**

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

- (a) whether the Government has taken concrete steps to attract fresh investments in the urea sector and to make the country self-sufficient in this sector, if so, the details and outcome thereof;
- (b) whether the Government is still facing difficulty in producing sufficient quantity of urea, if so, the challenges being faced by the domestic producers of urea and the manner in which the Government is trying to mitigate the shortage of urea in the country; and
- (c) the details of the steps taken/being taken by the Government for the revival of closed urea units?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN MINISTRY OF CHEMICALS & FERTILIZERS

**(RAO INDERJIT SINGH)**

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(a) : The Government has announced New Investment Policy – 2012 (NIP-2012) on 2<sup>nd</sup> January, 2013 and its amendment on 7<sup>th</sup> October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. Under the provisions of NIP-2012 and its amendment, Matix Fertilisers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal with the installed capacity of 1.3 MMT per annum. The commercial production of Matix has started on 1<sup>st</sup> October, 2017. Chambal Fertilizers & Chemicals Limited (CFCL) has also proposed to set up a brownfield project with capacity of 1.34 MMT at Gadepan, Rajasthan, which is likely to start commercial production in January, 2019.

(b) : The installed capacity of 30 urea manufacturing units is 207.54 LMT against which the total indigenous urea production during the year 2015-16 and 2016-17 was 244.75 LMT and 242.01 LMT respectively.

The requirement of urea in the country is assessed by the Department of Agriculture, Cooperation & Farmers Welfare in consultation with State Governments and is met through indigenous production. Since the indigenous production is not sufficient to meet the requirement of urea in the country, the gap between demand and supply through indigenous production is met through imports.

(c) : In order to increase the production of fertilizers by Central PSUs, Government has decided to revive closed units namely Gorakhpur, Sindri, Talcher and Ramagundam units of (FCIL) and Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL) by setting up of 1.27 Million Metric Tonne per annum urea plant at these units. All of these units are targeted to become operational by 2020-21.

In addition to above, the Government has also decided to install a new Urea plant of 8.646 Lakh Metric Ton (LMT) per annum in the existing premises of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), which will subsequently replace the existing Namrup II (Capacity 2.40 LMT) and Namrup III (Capacity 2.70 LMT) units.

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