

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3658 TO BE ANSWERED ON: 10.12.2019

Import of Urea

3658 SHRI RAM KRIPAL YADAV:
SHRI SUMEDHANAND SARASWATI:

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

- (a) Whether the Government proposes to decrease the import of urea and if so, the scheme formulated by the Government to make India self-reliant in the production of urea;
- (b) whether the Government has initiated any new investment policy in 2015 aimed at promoting production of urea and if so, the investment made under the said scheme;
- (c) the extent to which the nation has become self reliant after execution of the new investment policy;
- (d) whether the Government is aware that spurious and sub-standard urea is also supplied to farmers and if so, the action taken against the guilty persons; and
- (e) the efforts being made by the Government to provide good quality fertilizers to farmers in future?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(D.V. SADANANDA GOWDA)

(a) to (c): Yes, Sir. 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.

Under NIP – 2012 read with its amendment, Matix Fertilizers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia –Urea complex at Panagarh, West Bengal. The commercial production of Matix started on 1st October 2017. Chambal Fertilizers & Chemicals Limited (CFCL) has also set up a Brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III started on 1st January, 2019.

As per New Investment Policy – 2012, Government of India is reviving four closed fertilizer plants of Fertilizer Corporation of India Ltd. (FCIL) namely Talcher, Ramagundam, Gorakhpur and Sindri and one Hindustan Fertilizer Corporation Ltd. (HFCL) plant namely Barauni plant by setting up new Ammonia Urea plants of 12.7 Lakh Metric Tonne per annum capacity each, in the following states: -

Fertilizer has been declared as essential commodity under the Essential Commodities Act, 1955. Fertilizer (Control) Order, 1985 has been promulgated to regulate the trade, price, quality and distribution of fertilizers. Specifications of fertilizers are prescribed in the said Order. No person shall sell, sale offer for sale or distribute any fertilizer which is not prescribed standard. Samples of fertilizers are drawn periodically by the fertilizer inspectors of the State Governments from retailers/wholesalers and manufacturing units etc. for testing in the notified laboratories to check their quality in respect of the quality parameters prescribed in the Fertilizer (Control) Order, 1985. State Governments are empowered under the Fertilizer (Control) Order/Essential Commodities Act, 1955 to take appropriate administrative and legal action against those dealers/manufacturers/importers who do not comply with the provisions prescribed in the Order. Further under the Essential Commodities Act, the maximum punishment prescribed for violation of the provision of FCO is seven years.

(d) & (e): No case of spurious urea fertilizer has been reported including urea. However, during the year 2017-18, out of a total number of 138602 samples of fertilizers (including urea) analysed 7102 samples were found non-standard as per FCO specification. In 2212 cases the state Governments have taken administrative action and prosecution has been launched in 839 cases.

The Government of India has also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government. NUP-2015 has led to additional production of approximately 20 LMT as compared to 2014-15, from the existing gas based urea plants and the total production of urea during the year 2015-16 was 244.75 LMT, i.e. the highest ever urea production in the country. The indigenous urea production for the years 2016-17, 2017-18 & 2018-19 was 242.01 LMT, 240.23 LMT & 240 LMT respectively. This is significantly higher than the production of urea during 2012-13 (225.75 LMT) and 2013-14 (227.15 LMT).

At present, there are 32 urea manufacturing units in the country with an installed capacity of around 232.94 LMT of urea which does not commensurate with the requirement of urea in the country. The total production of urea excluding upcoming revival plants in the country during the year 2018-19 was 240 LMT against the total requirement of 305.48 LMT (approximately). After setting up of aforementioned 5 new Ammonia Urea plants, the total production of urea will be increased by 53.5 LMT.

Sl. No.	Name of Fertilizer plant	Name of location & State where plant is located
1	Ramagundam Fertilizers & Chemicals Ltd.(RFCL)	Ramagundam, Telangana
2	Hindustan Urvarak & Rasayan Ltd. (HURL)	Gorakhpur, Uttar Pradesh
3	Hindustan Urvarak & Rasayan Ltd. (HURL)	Sindri, Jharkhand
4	Hindustan Urvarak & Rasayan Ltd. (HURL)	Barauni, Bihar
5	Talcher Fertilizers Ltd. (TFL)	Talcher, Odisha