

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS**

LOK SABHA

UNSTARRED QUESTION NO. 2165 TO BE ANSWERED ON 12.12.2025

New Urea Plant

2165: Shri Balashowry Vallabhaneni:

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

- (a) the details of each of new Urea plants started in the country along with their production capacity since 2019;
- (b) whether it is true that all new plants started from 2019 are not producing to their full capacity, if so, the reasons therefor;
- (c) the reasons that Nagarjuna Fertilizers and Chemicals in Andhra Pradesh and Kanpur Fertilizers and Chemicals in UP with production capacity of 2 million tons are shutdown; and
- (d) the manner in which the Government is planning to address the increased demand of Urea every year?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): 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 6 new Urea units have been set up under NIP-2012. Out of these units, 5 units have been set up since 2019 with the production capacity of 12.7 LMT per annum which are as under:

1. Chambal Fertilizers and Chemicals Ltd. (CFCL), Gadepan-III, Rajasthan.
2. Ramagundam Fertilizers and Chemicals Ltd. (RFCL), Ramagundam.
3. Hindustan Urvarak & Rasayan Limited (HURL), Gorakhpur, Uttar Pradesh.
4. Hindustan Urvarak & Rasayan Limited (HURL), Sindri, Jharkhand.
5. Hindustan Urvarak & Rasayan Limited (HURL), Barauni, Bihar.

(b): Since 2019, CFCL Gadepan-III unit has produced Urea beyond their annual production capacity.

All three units of HURL are operating at more than 100% capacity. However, during the commissioning and initial stabilization period, there were few operational issues for which timely corrective actions have been taken. The present average production by three units of HURL is 105% of their production capacity.

RFCL unit has reported production losses as it was forced to shut down three times due to issues related to the HTER while the remaining 20 major shutdowns occurred due to failures in the Steam Superheater Coil (E-203), Boiler Feed Water (BFW) Pre-Heater (E-212), leakage in the synthesis gas line of the ammonia converter (S-50), Inter stage synthesis gas cooler (E432) and failure of the semi-lean flow control valve (FV-3032). RFCL unit is currently running at HTER bypass mode and LOI issued to Topose (Ammonia Licensor) to the repair work HTER tube bundle as single point responsibility.

(c): With regard to the shutdown of Nagarjuna Fertilizers and Chemicals (NFCL) in Andhra Pradesh, it is stated that AM Green Ammonia (India) Private Ltd. has purchased Ammonia-Urea assets of NFCL situated at Kakinada I & II under SARFEASI process from Asset Care and Reconstruction Enterprise Private Limited (ACRE) and took possession of the assets on 1st June 2024. Unit-II of NFCL continued production of Urea till 31st May 2024 while Unit-I of NFCL continued production upto 4th June 2024. Thereafter, both of the units are under shutdown.

Kanpur Fertilizers and Chemicals Plant in UP was under financial burden which henceforth resulted into shutdown of the plant.

(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 6 new Urea units have 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. 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.

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 306.67 LMT of Urea during 2024-25.

Further, following steps are taken by the Government before every cropping season for ensuring timely and adequate availability of fertilizers, including Urea, in the country:

- i. Before the commencement of each cropping season, Department of Agriculture and Farmers Welfare (DA&FW), in consultation with all the State Governments, assesses the State-wise & month-wise requirement of fertilizers.
- ii. On the basis of requirement projected by DA&FW, D/o Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitors the availability.
- iii. The movement of all major subsidized fertilizers is monitored throughout the country by an on-line web-based monitoring system called integrated Fertilizer Monitoring System (iFMS).
- iv. Regular Weekly Video Conference is conducted jointly by DA&FW and D/o Fertilizers with State Agriculture Officials and corrective actions are taken to dispatch fertilizers as indicated by the State Governments.
- v. The gap between demand (requirement) and production of fertilizers is met through imports. The import for the season is also finalized well in advance to ensure timely availability.

