

Steps taken by Government to attract fresh investments in the Urea Sector

Ministry of Chemicals and Fertilizers

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Minister of State for Planning (IC) and Chemicals & Fertilizers, Shri Rao Inderjit Singh, in a written reply to a question on concrete steps taken by the Government to attract fresh investments in the urea sector and to make the country self-sufficient in this sector, in Lok Sabha today, informed that the Government has announced New Investment Policy – 2012 (NIP-2012) on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector.

Shri Singh informed that 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 1st 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.

The Minister further informed that 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. 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, Shri Singh added.

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, the Minister added.

In a written reply to a separate question in Lok Sabha today, Shri Singh informed that the total urea capacity in the country capacity after revamping of the five units at Gorakhpur, Sindri, Talcher

and Ramagundam and Barauni is likely to be 304.5 LMTPA. In addition, two plants of combined capacity of 26.4 LMTPA are also being set up/commissioned in the private sector. This will further augment capacity to nearly 33 MMTPA. This augmentation in production capacity should help India in moving towards achieving self-sufficiency in urea, the Minister added.

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