

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:576

ANSWERED ON:28.02.2008

NON GAS BASED UREA UNITS

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

- (a) The number of non-gas based urea units so far converted to gas under new Pricing Scheme, Stage-III policy and the number of such units yet to be converted;
- (b) The details of the capacity addition targets fixed by the Government during the Eleventh Plan Period; and
- (c) The steps taken by the Government to achieve such targets in a time-bound manner?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) One unit namely Shriram Chemicals & Fertilizers Ltd., Kota has converted to gas under New Pricing Scheme, Stage-III. There are 8 non-gas based units (4 FO/LSHS and 4 Naphtha) which are yet to be converted to gas.

(b) & (c) To meet this increased demand of urea by 2011-12, the Working Group on Fertilizers have projected that the additional capacity in addition to the existing operational capacity of 197 lakh Metric Ton is expected to come in the Eleventh Plan Period as follows: -

a) 25.186 Lakh Metric Ton from capacity addition in the existing units.

b) 33.50 Lakh Metric Ton from 3 brown field expansion projects and 11.55 Lakh Metric Ton from one green field project (total 45.05 Lakh Metric Ton).

c) About 50 Lakh Metric Ton from revival of seven urea units of HFC and FCI in Eastern India based on natural gas/Liquefied Natural Gas/Coal Bed Methane/Coal Gas as feedstock.

The Government under New Pricing Scheme Stage-III, notified on 8th March 2007 has incentivised additional urea production to encourage units to produce beyond 100% of installed capacities by making investments, if required. Further, a new policy for attracting investment in Urea sector both within the country and abroad also being finalized. The Government has also agreed to meet both the existing and future demand of natural gas of fertilizer sector in its entirety from the existing and the future discoveries of natural gas.