

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

UNSTARRED QUESTION NO:559

ANSWERED ON:11.11.2010

CONVERSION OF UREA PLANTS INTO GAS-BASED UNITS

Roy Shri Nripendra Nath

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

- (a) whether the Government's new policy provides for a special fixed cost the reimbursement to enable conversion of existing urea plants running on furnace oil into gas-based units;
- (b) if so, whether some companies in the public sector propose to make sizeable investment over the next few years to change feedstock of their plants; (
- (c) if so, the details thereof;
- (d) whether the fertilizer companies were given incentive for feedstock conversion for some specific period; and
- (e) if so, the details of those companies which have gained from these policies and the extent to which it has been beneficial?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (e): Department of Fertilizers has notified on 6th March 2009, the policy for conversion and restart of existing urea units to increase indigenous production of fertilizers. It provides for a Special Fixed Cost towards reimbursement of the cost of conversion of the urea unit after its conversion to gas is completed.

The Government has approved the four feedstock changeover projects of M/s. National Fertilizers limited at its Nangal, Panipat and Bhatinda units at a cost of Rs. 1478.63 crore, Rs. 1292.94 crore and Rs. 1294.94 crore respectively and GNVFC, Gujarat At Rs 1215.79 crores. The approval will enable above units to modernize their existing ammonia plants and achieve better energy efficiency and lead to substantive savings of subsidy to Government.