

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

UNSTARRED QUESTION NO:2989
ANSWERED ON:18.08.2011
NEW INVESTMENT POLICY
Mahendrasinh Shri Chauhan

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

- (a) whether the new investment policy for the fertilizer sector has been implemented in the country including Gujarat;
- (b) if so, whether the fertilizer sector has responded positively towards the new policy;
- (c) if so, the details thereof;
- (d) the names of the fertilizer companies which have revamped their units including Gujarat Narmada Valley Fertilizers Co. Ltd., Bharuch and Gujarat State Fertilizers & Chemicals Ltd., Vadodara so far;
- (e) whether the Gujarat Narmada Valley Fertilizers Co. Ltd., Krishak Bharati Cooperative Ltd. and Indian Farmers Fertilizers Cooperative Ltd. have asked the Government for assured availability of gas for their plants; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d) : Policy for New Investments in urea sector and long-term offtake of urea from joint venture abroad has been implemented vide notification No. 12012/12/2007-FPP, dated 4th September 2008. The fertilizer Industry has responded positively to the New Investment Policy by initiating investment decision for revamp of existing capacities. This policy has not brought any new investment though Greenfield or brown field projects. Therefore, the Department of Fertilizer has decided to amend the existing Investment Policy. The Group of Ministers has directed the Committee of Secretaries under Dr. Soumitra Choudhary, Member of Planning Commission to formulate the New Investment Policy which would be conducive to fresh investments in Urea Sector.

The details of revamp projects are as under:-

S.No. State Revamp

- 1 Andhra Pradesh NFCL - Kakinada-I&II (Revamp completed)

- 2 Gujarat KRIBHCO-Hazira (under revamp)
 - GSFC - No proposal/investments for revamp
 - GNVFC - No proposal/investments for revamp

- 3 Madhya Pradesh NFL-Viajipur-I&II (under revamp)

- 4. Maharashtra RCF-Thal (under revamp)

- 5. Rajasthan CFCL-Gadepan-I & II (Revamp completed)

- 6. Uttar Pradesh IFFCO - Aonla-I & II (Revamp completed)
 - IFFCO - Phulpur-I & II (Revamp completed)
 - TCL-Babrala
 - IGFL-Jagdishpur
 - KSFL (under Revamp).

Because of the above revamp projects a total of 20 LMT of addition Urea production is achieved.

(e) & (f): The additional requirement of gas projected by GNVFC, KRIBHCO and IFFCO for their units is as under :-

Yearwise/Plantwise Additional Requirement of Natural Gas for units in Gujarat

SL.N Name of the unit Additional Requirement (mmscmd)

A Fuel-Oil Based 2011-12 2012-13 2013-14 2014-15

1 GNVFC-Bharuch 0.00 0.95 0.95 0.95

B Expansion Units

2 Kribhco-Hazira 0.00 0.00 2.20 2.20
IFFCO-Kalol 0.00 0.00 2.9 2.9

C REVAMP PROJECTS

3 KRIBHCO-Hazira 0.80 0.80 0.80 0.80
4 GSFC,Baroda 0.250 0.250 0.250 0.250

D GREEN FIELDS PROJECTS

GSFC-Dahej 0.00 0.00 3.50 3.50

The same has been projected to Ministry of Petroleum & Natural Gas for allocation. Ministry of Petroleum & Natural Gas has intimated that the Empowered Group of Ministers(EGoM) on pricing and commercial utilisation of Gas under NELP has decided in the meeting held on May 28, 2008 that demand emanating beyond 2008-09 from de-bottlenecking of and expansion of fertilizers plants, conversion of Naphtha based & Fuel Oil based fertilizer plants and revival of closed fertilizer plants would be given highest priority at that stage and will be met from production in subsequent years. Further, in the EGOM meeting held on 27.10.2009, it was decided that such plants would be supplied natural gas as and when they are ready to utilize the gas, subject to availability In the last meeting held on 28.7.2010, the EGoM has noted the projections regarding total availability of indigenous natural gas from all sources in the coming years, wherein the additional requirement of natural gas projected by inter alia Department of Fertilizers on account of conversion of existing naphtha based and fuel oil based urea plants to gas, expansion of & revamp of existing plants, revival of closed units and Greenfield units was also noted by the EGoM.