

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

UNSTARRED QUESTION NO:905
ANSWERED ON:09.07.2009
UTILIZATION OF COAL RESERVES
Owaisi Shri Asaduddin

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

- (a) whether the Government proposes to utilize its huge coal reserves for the purpose of making the country self-reliant in the matter of production of fertilizers and supply of feedstock as being done in other countries particularly China;
- (b) If so, the details thereof;
- (c) the steps taken to make arrangements for the supply of gas to urea producers?

Answer

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

(a) & (b) The New Pricing Scheme Stage – III recommends the coal gas and coal based methane as fuel / feed stock for production of urea in the country. Further, out of 28 urea manufacturing units operational in the country, 6 urea units use coal as fuel for the purpose of generating steam /electricity to be used as utilities. The Government is also looking into the feasibility of revival of closed urea units of Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL) through setting up of new brownfield projects based on natural gas, coal gas, Coal Based Methane (CBM) etc.

(c) The Government has decided to accord highest priority in allocation of gas for existing urea units in the country. It has also decided to accord the highest priority in gas allocation to fertilizer sector for debottlenecking, expansion and revival projects in the country. In pursuance of the above decisions, approximately 15 mmscmd of gas has been allocated from KG D6 Basin to existing gas based urea units in the country to meet the entire shortfall in availability of natural gas for urea production within the country.