

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

STARRED QUESTION NO:128

ANSWERED ON:22.03.2012

SUPPLY OF CHEAPER GAS

Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan

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

- (a) whether the Ministry of Chemicals and Fertilizers has opposed the Ministry of Petroleum & Natural Gas's move to snap supply of cheaper gas from RIL's Andhra offshore field to those units manufacturing potassic and phosphatic fertilizers;
- (b) if so, whether any resultant reduction in production of fertilizers will make the country much more vulnerable to the vagaries of rising international prices;
- (c) if so, the reaction of the Government thereto;
- (d) whether such move would lead to more imports or result in increase retail price for farmers; and
- (e) if so, the steps taken by the Government in this regard?

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(e): A statement is laid on the Table of House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 128 TO BE ANSWERED ON 22 MARCH 2012 REGARDING SUPPLY OF CHEAPER GAS

(a)&(b): Department of Fertilizers (DoF) has requested Ministry of Petroleum & Natural Gas to continue supply of domestic gas including KG-D6 gas to potassic and phosphatic fertilizers. DoF has stated that in case expensive gas is used by these units, it may result in production of expensive ammonia, cost of which sometimes may be higher than the import price forcing these units to import Ammonia and ultimately making them import dependent. Therefore, Department of Fertilizers has proposed that all gains due to usage of natural gas for purposes other than urea will be calculated by DoF, based on either imported ammonia or any other benchmark, which will be recovered from these units. Specific guidelines will be framed by DoF in this regard.

(c)to(e): Empowered Group of Ministers (EGoM) has directed that the proposal to suspend the supply of KG-D6 gas to P&K plants (Deepak, GSFC and RCF) including the proposal to restrict future supply only to Urea fertilizer plants be kept in abeyance till 24-05-2012, during which time, the Department of Fertilizers will finalize the guidelines mentioned above and thereafter the matter will be placed before the EGoM.