

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

UNSTARRED QUESTION NO:3403  
ANSWERED ON:10.12.2009  
INVESTMENT IN NFL  
Gandhi Shri Feroze Varun

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

- (a) whether the Government proposes to step up investments in National Fertilizers Limited (NFL) for capacity augmentation;
- (b) if so, the details thereof ; and
- (c) if not, the reasons therefor ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & ERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c) National Fertilizers Limited (NFL) has undertaken Energy saving & Capacity Augmentation Projects at Vijaipur Unit. The installed Urea capacity of Vijaipur-I and Vijaipur-II, shall be enhanced from 1729200 MT to 2066130 MT per annum. The Estimated Cost of these Projects is Rs.900 crores which are expected to be completed by 2011-2012 and will be funded by the NFL from internal resources and commercial borrowings. Post Commissioning of these Projects, Company's annual installed capacity of Urea will be augmented from 32,30,700 MT to 35,67,630 MT.

NFL is also undertaking Conversion of its three high cost Fuel Oil Based Plants at Panipat, Bathinda and Nangal at an estimated cost of Rs.4064 crores to low cost Natural Gas. However, there would be no change in the installed capacity of Urea at these plants at 15,01,500 MT. The Public Investment Board in its meeting held on 05&13.11.2009 has recommended these proposals for approval of Cabinet Committee on Economic Affairs. The conversion Projects are to be funded by the NFL from commercial borrowings to the extent of 95% and balance from internal resources. Post Conversion, as per the policy, Government of India (GOI) would reimburse the total Project cost to the Company through Post Conversion subsidy in the form of special fixed cost component and saving in energy for a period of five years. Subsequently, the saving will be accruing to the GOI. These projects are expected to be completed in three years after zero date.