

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

UNSTARRED QUESTION NO:1360

ANSWERED ON:28.07.2015

Status of Naphtha based Plants

Arunmozhiathan Shri A.;Kateel Shri Nalin Kumar;Suresh Shri Doddaalahalli Kempegowda

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

(a) whether the Government/Cabinet Committee on Economic Affairs has approved/permitted the continuation of production of urea from Madras Fertilizers Ltd. Manali, Mangalore Chemicals and Fertilizers Limited-Mangalore and Southern Petro-chemicals Industries Corporation-Tuticorin for using Naphtha as feedstock till availability of gas through gas pipeline or by any other means;

(b) if so, the details thereof and if not, the reasons therefor and the present status of each of these units;

(c) the details of urea and other fertilizers manufacturing units/plants using naphtha and fuel as feed stock operating in the country, State/UT and fertilizer-wise;

(d) the time by which Naphtha based fertilizer units/plants are likely to be converted into gas based; and

(e) the details of new plants proposed to be set up and time by which these are likely to be set up and made functional, State/UT and fertilizer-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI HANSRAJ GANGARAM AHIR)

(a) & (b): Yes, Madam. As per Cabinet Committee on Economic Affairs (CCEA) decision, the Department of Fertilizers (DoF) has issued notification dated 17th June, 2015 allowing Naphtha based urea units viz., Madras Fertilizers Limited (MFL) – Manali, Mangalore Chemicals & Fertilizers Ltd. (MCFL) -Mangalore and Southern Petrochemical Industries Corporation Ltd. (SPIC) – Tuticorin to continue production of urea using Naphtha as feedstock till these plants get assured supply of gas either by gas pipeline or any other means.

(c) & (d): At present, there are 30 urea manufacturing units, out of which 27 urea manufacturing units use Natural Gas (using either domestic gas/LNG or both) as feedstock and fuel and remaining three urea manufacturing units use Naphtha as feedstock and fuel, the details of which is annexed.

While MFL-Manali and MCFL-Mangalore have converted their plant to gas as feedstock, SPIC has almost completed conversion activities. However, at present, the production of urea of these three plants using gas as feedstock is held up due to delay in commissioning of the gas pipeline connectivity.

As far as P&K is concerned, two companies viz., MFL, Manali (NPK 20-20-0-13 and 17-17-17-0) and Gujarat Narmada Valley Fertilizers Company Limited (GNVFC)-Bharuch (NPK 20-20-0-0) are using Naphtha/fuel oil/LSHS as feedstock for production. MFL has already converted its plant to run on natural gas. However, gas from IOCL and GAIL will be made available from 2017-18 onwards. GNVFC has not yet converted its feedstock to Natural Gas for production of P&K fertilizers. It has not given any date for converting its plant to run on natural gas.

(e): To facilitate fresh investment in urea sector and to make India self sufficient in the urea sector, the Government notified amendment to New Investment Policy – 2012 on 7th October 2014. This Department has received the following 7 proposals for setting up of Greenfield and Brownfield (Expansion) projects:-

S. No. Company Projects Ownership State

1. Paradeep Phosphate Limited Greenfield project at Jhabua Private Madhya Pradesh
2. Indo-Gulf Fertilizers Limited -Jagdishpur Brownfield Expansion urea project at Jagdishpur. Private Uttar Pradesh
3. Chambal Fertilizers & Chemicals Limited-Gadepan Brownfield of Ammonia-Urea units at Gadepan-Kota. Private Rajasthan
4. Matix Fertilizers & Chemicals Limited-II, Panagarh Brownfield Ammonia-Urea Fertilizers Complex at Panagarh. Private West Bengal
5. Rashtriya Chemicals & Fertilizers Limited-Thal Brownfield Ammonia-Urea Expansion project at Thal. CPSU Maharashtra
6. 9. Kanpur Fertilizers & Cement Limited Greenfield Project at Jabalpur Private Madhya Pradesh
7. 11. Nagarjuna Fertilizers & Chemicals Ltd. Brownfield Project at Kakinada, Andhra Pradesh. Private Andhra Pradesh
