

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

UNSTARRED QUESTION NO:4680
ANSWERED ON:12.08.2014
REVIVAL OF NAPHTHA BASED FERTILIZER UNITS
Adhikari Shri Sisir Kumar

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

- (a) whether the Government proposes to revive/convert the naphtha based fertilizer units into gas based units in the country;
- (b) if so, the details thereof, unit-wise;
- (c) whether the Government is considering to restart the closed units in the country under Public Private Partnership (PPP) mode; and
- (d) if so, the details thereof; ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI NIHALCHAND)

(a) to (d): The Government has decided to revive closed units of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizers Corporation Limited (HFCL), which were using Naphtha/FO/LSHS/Coal as feedstock. The Cabinet Committee on Economic Affairs in August, 2011 had approved the Draft Rehabilitation scheme for revival of five units of FCIL namely Sindri, Talcher, Ramagundum, Gorakpur and Korba and three units of HFCL namely Haldia, Baruni and Durgapur. Three closed units of FCIL namely Sindri, Ramagundam and Talcher to be revived by the Public Sector undertakings through nomination route. Remaining two closed units namely Gorakhpur and Korba of FCIL and three units of HFCL namely Barauni, Durgapur and Haldia of HFCL are to be revived through bidding route. It has also been decided by CCEA on 9th May 2013, that revival of closed units of HFCL will be taken, once the revival of FCIL is on track.

Department of Fertilizers has issued Modified NPS-III for existing urea units on 2nd April, 2014. Para 4 of the aforesaid policy deals with continuation of Naphtha based urea units, which is as follows:

4. Continuing the production from high cost units The production of the high cost naphtha based urea units namely SPIC Tuticorin, MFL Manali and MCFL Mangalore will continue under modified NPS-III till the gas availability and connectivity is provided to these units or June, 2014 whichever is earlier, beyond which subsidy for naphtha based plants will not be paid. However, no new naphtha based plants will be permitted in greenfield investments."