

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

UNSTARRED QUESTION NO:456

ANSWERED ON:25.11.2014

CONVERSION OF NAPHTHA BASED PLANT INTO NGB PLANT

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

- (a) whether the Government had asked fertilizer companies/manufacturers to convert their naphtha based plants into natural gas based (NGB) plants;
- (b) if so, the details thereof, company-wise;
- (c) whether the said fertilizer manufacturers/companies have taken any decision in this regard;
- (d) if so, the details thereof, company-wise; and
- (e) if not, the reasons therefor;

**Answer**

MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI ANANTH KUMAR)

(a) & (b): Yes, Madam. As per New Pricing Scheme (NPS) – III notified on 08th March, 2014, all functional Naphtha and FO/LSHS based units were supposed to get converted within a period of 3 years. The details of the companies are as follows:

(i) Three units of National Fertilizers Limited (NFL) – Nangal, Panipat and Bhatinda and one unit of Gujarat Narmada Valley Fertilizers Limited (GNVFC) have converted from FO/LSHS to Gas as feedstock.

(ii) Zuari Agro Chemicals Limited (ZACL) has converted from Naphtha to Gas as feedstock.

(iii) Kanpur Fertilizers & Cements Limited (KFCL) – A shutdown Naphtha based urea unit has restarted production since June 2013.

(iv) Madras Fertilizers Limited (MFL) – Manali, Mangalore Chemicals & Fertilizers Limited (MCFL) – Mangalore and Southern Petrochemicals Industries Corporation Limited (SPIC) – Tuticorin are in the process of conversion from Naphtha to Gas as feedstock.

(c) & (d): Yes, Madam. The aforesaid companies which have converted from Naphtha to natural gas have started production by using gas/ LNG. The three units viz., MFL-Manali, MCFL- Mangalore and SPIC-Tuticorin have started the process of conversion from Naphtha based units to Gas based units. However, at present, the conversion of these three units is held up due to delay in commissioning of the gas pipeline connectivity. MFL-Manali has already signed Heads of Agreement with IOCL for supply of natural gas from its proposed LNG terminal at Ennore, which is likely to get commissioned by last quarter of 2017. As per original plan, MCFL was supposed to get LNG from petronet LNG-terminal at Kochi through a gas pipeline planned by GAIL from Kochi to Mangalore. But the laying of pipeline is facing stiff resistance from farmers and may take 24 months or more to lay approximately 350 kms of the pipeline in Kerala. GAIL is also exploring the option of laying a spurline from Dabhol-Bengaluru pipeline connecting to Mangalore from Chitradurga as progress on Kochi-Mangalore pipeline is severely dented due to non-availability of RoU for lands under State of Kerala. A dedicated pipeline may also be laid from Ramnad to SPIC, Tuticorin by GAIL for which no permission is required by PNGRB or after finalisation of Ennore-Tuticorin pipeline by PNGRB, the successful bidder may take up the Ramnad-Tuticorin leg on priority basis. Subsequent to connectivity of gas pipeline, the three companies may consider tying up imported RLNG to meet their requirement since as per the projections on availability of domestic gas, the same is not going to increase substantially in the coming years. As regards, domestic gas, the same shall be allocated as per the prevailing Gas Utilisation Policy as and when pipeline connectivity is established and the plants are in a position to consume the gas.

(e): Question does not arise.