

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 2525 TO BE ANSWERED ON 03.12.2019

Coal-based Urea

2525: SHRI SHANMUGA SUNDARAM K:

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

- (a) whether the Government is having any policy for manufacturing coal-based urea since India is having surplus coal at present;
- (b) if so, the details thereof;
- (c) whether the Government will encourage second-generation bio-fuels, also known as advanced bio-fuels for setting up of industries to manufacture them in India;
- (d) if so, the estimated savings of petroleum import per annum; and
- (e) the impact on the subsidy given by the Government for urea once the coal-based urea production started?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS

(D.V. SADANANDA GOWDA)

(a), (b) & (e): The Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. The said policy is applicable to urea units to be based on gas i.e. Natural Gas (domestic / RLNG) and CBM. It provides for the same dispensation for revival of closed urea units based on Coal Gasification and Greenfield projects based on Coal Gasification, as that of CBM, after arriving at equivalent Natural Gas price.

The Government of India is reviving the Talcher fertilizer unit of Fertilizer Corporation India Ltd. (FCIL) by setting up new Ammonia Urea plant of 12.7 Lakh metric tonne per annum capacity through 'Nomination Basis' by forming a Joint Venture of Gas Authority of India Limited (GAIL), Rashtriya Chemicals & Fertilizers Limited (RCF) and Coal India Limited (CIL), on Coal Gasification technology.

8 (eight) Urea manufacturing units (namely: IFFCO-Phulpur I, IFFCO-Phulpur II, GNVFC-Bharuch, NFL-Bhatinda, NFL-Panipat, NFL-Nangal, SFC-Kota and KFCL-Kanpur) are manufacturing urea using Natural Gas as feedstock and coal as fuel in their plants. As per the prevailing policy for the existing urea manufacturing units, cost of input including feedstock such as coal etc. is a pass through item in the subsidy calculation.

(c) & (d): In December, 2014, the Government allowed procurement of ethanol produced from other non-food feedstock besides molasses, like cellulosic and lignocelluloses materials including petrochemical route. The Government has also notified National Policy on Bio-fuels – 2018 in June, 2018 to promote Bio-fuels including second generation bio-fuels. These second generation bio-fuels can be produced from lignocellulosic biomass, crop residues, municipal solid waste, etc. In order to encourage setting up of second generation bio-fuels plants, the Government has launched a scheme namely “**Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal awashesh Nivaran) Yojana**” for providing financial support to integrated bio-ethanol projects, using lignocellulosic biomass and other renewable feedstock. The savings of petroleum import per annum from second generation Bio-fuels cannot be estimated at this stage.
