

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

UNSTARRED QUESTION NO:169  
ANSWERED ON:20.02.2006  
NAPHTHA BASED FERTILIZER PLANTS  
Chowdhury Shri Adhir Ranjan

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

- (a) the details of Naphtha based fertilizer plants functioning in the country at present;
- (b) whether the said fertilizer plants are on the verge of closure due to high price of Naphtha; and
- (c) the measures being taken by the Government to save these plants?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (c): There are 9 naphtha based urea plants in the country functioning at present. These are: Indian Farmers Fertilizers Cooperative Limited (IFFCO)- Phulpur-I, IFFCO-Phulpur-II, Mangalore Chemicals & Fertilizers Limited (MCFL)- Mangalore, Madras Fertilizers Limited (MFL)-Chennai, Shriram Fertilizers & Chemicals Limited (SFC)-Kota, Southern Petrochemicals Industries Corporation Limited (SPIC)-Tuticorin, Zuari Industries Limited (ZIL)-Goa, Duncans Industries Limited (DIL)-Kanpur and Chambal Fertilizers & Chemicals Limited (CFCL)- Gadepan-II. Since the prices of feedstock including naphtha are a pass through under the New Pricing Scheme for urea units subject to pre-set specific energy consumption norms i.e. the cost of feedstock is reimbursed to the urea units, the variations in the prices of feedstock do not affect the operations of urea units including naphtha based units.

Recognizing the efficacy, efficiency and environment friendliness of natural gas over naphtha and FO/LSHS, the Government has already, in January, 2004 formulated a policy for conversion of existing naphtha/FO/LSHS based units to natural gas/LNG as feedstock.

Consequent to the policy announcement, naphtha based urea units situated in the vicinity of HBJ pipeline have already started taking steps for conversion to natural gas/R-LNG. IFFCO has already signed a firm contract for supply of R-LNG for both its units located at Phulpur to the extent of its feed/fuel requirement. The work on the conversion and laying of the pipeline is in progress, which is expected to be completed in mid 2006. The Gadepan-II unit, which was fully using naphtha till March, 2005, of Chambal Chemicals & Fertilizers Limited, has started using R-LNG to the extent available.