



Ensure Gas Supply to 3 Naphtha-based Fert Cos

The Parliamentary Committee has asked the government to supply domestic gas to SPIC, Madras Fertilizers and MCFL which use naphtha as feedstock

ENS Economic Bureau

The Parliamentary panel has asked the government to ensure gas connectivity and supply of domestic gas to three naphtha-based fertiliser units - SPIC - Tuticorin, MFL - Manali and MCFL - Mangalore. The parliamentary department related standing committee on Chemical and Fertilisers, in its third report, noted that

presently India is the third largest fertiliser producer in the world with installed capacity of 127.67 lakh mt of nitrogen and 62.08 lakh mt of phosphatic nutrient during the year 2013-14.

However, the indigenous output of fertilisers has not increased to meet the growing requirement largely due to raw materials/inputs limitation and partially due to lack of new investments in urea

sector in the last decade.

At present, there are 30 urea units in our country. Out of these 30 urea units, 27 urea units use natural gas (using either domestic gas/ LNG or both) as feedstock and fuel and the remaining three urea units use naphtha as feedstock and fuel. Three naphtha units - SPIC-Tuticorin, MFL-Manali and MCFL-Mangalore are in process for conversion from naphtha

to gas feedstock.

The panel is distressed to note that PSUs like FACT, Kochi has become a loss-making unit since it has converted its plant to use gas as the feed stock but domestic

gas is not being supplied to the plant and it has to get very high cost re-gassified liquefied natural gas (RLNG) for the plant. At that rate, it is not economical to produce and sell and meet the mar-

The House panel wants the Ministry of Petroleum and Natural Gas to supply adequate quantity of natural gas without any hindrance to all the existing gas-based urea units

gins within the subsidy that is available.

The panel wanted the ministry to play a proactive role and take up the matter with the Ministry of Petroleum and Natural Gas ensuring that adequate quantity of natural gas is supplied without any hindrance to all the existing gas based urea units. The Committee recommended that the Ministry should also ensure gas connectivity

and supply of domestic gas to three naphtha units namely SPIC, MFL and MCFL which are in process for conversion from naphtha to gas feedstock. The Committee suggested that the Ministry should also impress upon the Ministry of Petroleum and Natural Gas to work out a pricing mechanism for naphtha based units so that non-gas based units could become cost efficient.