

**Steps to check carbon footprint of fertilizer sector**

2764. SHRI DEREK O' BRIEN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state whether the Ministry is taking steps to reduce carbon footprint of fertilizer sector and promote energy efficient operations, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA): Yes, Sir. The Government has announced New Urea Policy (NUP)-2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to reduce the subsidy burden on the Government.

As per the NUP-2015, the existing gas based urea units has been classified into three groups based on pre set energy norms. These urea units have been given the target energy consumption to be achieved in the year 2018-19. A copy of notification dated 25 May, 2015 regarding NUP-2015 for existing gas based urea manufacturing units is given in the Statement (*See below*).

Saving in energy by urea manufacturing units shall reduce the carbon-footprint.

***Statement***

*Notification regarding NUP 2015 for existing gas based urea manufacturing units*

No. 12012/1/2015-FPP

Government of India

Ministry of Chemicals and Fertilizers

(Department of Fertilizers)

Shastri Bhawan, New Delhi.

25th May, 2015.

To,

CMD/MDs

RCF/MFL/BVFCL/NFL/KRIBHCO/IFFCO/GSFC/GNVF/SFC/NFCL/CFCL/TCL /ZACL/  
INDO-GULF/SPIC/KSFCL/MCFL/FCIL/HFCL/FACT/IPL/MATIX/KFCL

**Subject: New Urea Policy-2015 for existing gas based urea manufacturing units.**

Sir,

I am directed to refer to this Department's letter No. 12012/3/2010-FPP dated 2nd April, 2014, *vide* which the salient features of Modified New Pricing Scheme (NPS)-III was introduced w.e.f. 02.04.2014 for one year were communicated. It has been decided to implement New Urea Policy, 2015 as contained in the succeeding paragraphs.

**1. Duration**

The New Urea Policy-2015 will be effective from 1st June, 2015 to 31.3.2019. The provisions of existing Modified NPS-III and New Investment Policy, 2008 shall continue till 31st May, 2015.

**2. Grouping of urea units**

2.1 The existing gas based urea units will be classified into the following three groups:

(i) **Group-I** includes the following urea units having pre-set energy norms between 5.0 G Cal/MT to 6.0 G Cal/ MT:

(a) NFL - Vijaipur-I & II, Kribhco - Hazira, Indo-Gulf-Jagdishpur, IFFCO-Aonla-I & II, KSFL-Shahjahanpur, CFCL Gadepan-I & II, TCL-Babralla, NFCL-Kakinada-I & II and IFFCO-Phulpur-II (Thirteen units).

(ii) **Group-II** includes the following urea units having pre-set energy norms between 6.0 G Cal/MT to 7.0 G Cal/ MT:

(a) IFFCO-Kalol, GSFC-Baroda, RCF-Thal and GNVFC-Bharuch (Four Units)

(iii) **Group-III** includes the following urea units having pre-set energy norms more than 7.0 G Cal/MT:

(a) NFL-Nangal, NFL-Panipat, NFL-Bhatinda, ZACL-Goa, SFC-Kota, RCF-Trombay-V, IFFCO-Phulpur-I and KFCL-Kanpur (Eight units).

2.2 MFL- Manali, MCFL-Mangalore, SPIC Tuticorin, BVFCL - Namrup-II and BVFCL - Namrup-III will not be covered under this scheme because these units are not connected to gas pipeline network in the country.

2.3 BVFCL - Namrup-II and BVFCL - Namrup-III are proposed to be closed and to install a new high efficiency unit and will be dealt separately under their restructuring proposal. Till then, these two units will function under the provisions of Modified NPS-III.

2.4 The twenty five units in para 2.1 above will be eligible to get the concession rate on the basis of revised energy norms fixed for each group from 1st June, 2015 to 31st March, 2018.

**3. Revised Energy Norms for three years (2015-16 to 2017-18)**

3.1 For the year 2015-16 (from 1st June, 2015 onwards), 2016-17 and 2017-18, the revised energy norms would be the simple average of pre-set energy norms of

NPS-III and average actual energy consumption achieved during the years 2011-12, 2012-13 and 2013-14 or the pre-set set energy norms of NPS-III, whichever is lower.

### 3.2 Energy Norms for 2018-19

#### (a) For Group I

Energy consumption norm for this group for financial year 2018-19 would be 5.5 G Cal/MT, except for TCL- Babrala. For TCL- Babrala, existing pre-set energy consumption norm of NPS-III i.e 5.417 G Cal/MT will continue.

#### (b) For Group II

Energy consumption norm for this group for financial year 2018-19 would be 6.2 G Cal/MT.

#### (c) For Group III

Energy consumption norm for this group for financial year 2018-19 would be 6.5 G Cal/MT.

3.3 The present provisions for conversion of FO/LSHS urea units to Natural Gas issued by the Department of Fertilizers for urea units at Bathinda, Nangal and Panipat of NFL and Gujarat Narmada Valley Fertilizer Corporation/ Bharuch will continue.

3.4 The units which have converted to gas from Naphtha viz., ZACL and KFCL will continue to get saving on energy consumption over the pre-set norms of NPS- iii to recover their investment for conversion from Naphtha to Natural Gas. The data from each such unit will be obtained and based on this data, the Department of Fertilizers, in consultation with Department of Expenditure, shall work out the period for which existing pre-set energy norms will be allowed, which shall not be more than five years from the date of conversion so that each unit may be in a position to recover the investment with interest thereon from energy savings.

4. The compensation for other variable cost *e.g.* the cost of bag, water charges and electricity charges and fixed cost will be determined in accordance with existing provisions of NPS-III and Modified NPS-III.
5. For production beyond the Re- Assessment Capacity (RAC), the units will be entitled for their respective variable cost and a uniform per MT incentive equal

to the lowest of the per MT fixed costs of all the indigenous urea units subject to import parity price plus weighted average of other incidental charges which the Government incurs on the imported urea.

6. All other existing policy guidelines related to escalation/de-escalation of concession rate, Neem coated urea, distribution and movement, import of urea and taxes on inputs for urea production, freight reimbursement, issued by this department from time to time will continue.
7. In case, any modification of the policy is required in relation to the operational issues, which does not alter the basic framework of the policy *i.e.* pooling of gas and energy efficiency target and is financially beneficial to the Government, the Department of Fertilizers is authorized to take a decision in the matter in consultation with Department of Expenditure.

Yours faithfully,

sd/-

(Sham Lal Goyal)

Joint Secretary to the Government of India

011-23388481

Copy to:

The Executive Director,  
Fertilizer Industry Coordination Committee,  
8th Floor, Sewa Bhawan, R.K. Puram, New Delhi.

#### **Turnover of BSNL**

†2765. DR. VINAY P. SAHASRABUDDHE: Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the present financial condition of Bharat Sanchar Nigam Limited (BSNL), which was in loss a few years ago;
- (b) the turnover of BSNL during the years 2014-2016; and
- (c) whether there has been any increase or decrease in the turnover of BSNL during the years 2014-2016, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS (SHRI MANOJ SINHA): (a) The financial position of Bharat Sanchar Nigam Limited (BSNL) is as under:—

---

†Original notice of the question was received in Hindi.