

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

UNSTARRED QUESTION NO:6325  
ANSWERED ON:06.05.2003  
PRODUCTION OF CHEMICALS AND FERTILIZERS  
NAWAL KISHORE RAI;RAMJILAL SUMAN;SUSHIL KUMAR INDORA

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

- (a) whether it is a fact that Naphtha, fuel oils cooking gas, LNG and othersubstances are used as fuel in production of chemicals and fertilizers, in the country;
- (b) if so, the percentage of chemical fertilizers producing units in which these are used as fuel;
- (c) the average production cost of each chemical fertilizer separately during the year 2002-2003 as a result of use of each of the aforesaid substances as fuel; and
- (d) the average estimated cost of fuel in total production cost during 2002- 2003?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(DR. CHHATTRA PAL SINGH)

- (a) : Yes, Sir. Naphtha, fuel oils (FO), natural gas and other substances such as Low Sulphur Heavy Stock (LSHS) and coal are used as feedstock/fuel for manufacture of certain chemicals and fertilizers.
- (b) : Out of the total urea manufacturing capacity of 213.26 lakh MTs as on 1.4.2002, 61.46% was based on natural gas, 26.25% on naphtha and 12.29% on FO/LSHS.
- (c) : The average retention price which includes cost of production and 12% post-tax return on network computed on normative and actual basis for the urea units for the different feedstock urea units as on 1.4.2002 is Rs.6499 per MT for gas based, Rs.12190 per MT for naphtha based and Rs.11200 per MT for FO/LSHS based units. These prices are subject to further changes on account of escalation/de-escalation in the variable cost etc. during the course of the year 2002-03.
- (d) : The average cost of energy (including feedstock, fuel, purchased power and industrial water) used in the manufacture of urea, as on 1.4.2002 is Rs.3673 per MT of urea for gas based units and Rs.8751 for naphtha based units and Rs.8194 for FO/LSHS based units.