

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

UNSTARRED QUESTION NO:3020  
ANSWERED ON:30.08.2012  
COST OF PRODUCTION  
Ju Dev Shri Dilip Singh

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

- (a) whether it is a fact that the cost of production of urea producing units will come down by using gas in place of Naphtha as fuel;
- (b) if so, the extent to which the cost of production is estimated to be decreased; and
- (c) the extent to which the annual savings are assessed to be accrued following the decrease in cost of production assuming the existing production capacity as the basis thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) : Yes, Madam.

(b) : During the year 2010-11, the weighted average energy cost of urea for gas based urea units was Rs. 7271/MT and Naphtha based units was 27862/MT.

(c) : As per policy for Stage-III of New Pricing Scheme(NPS), the re-assessed capacity of Naphtha based urea units is 18.8 LMT/annum. Taking into this, the estimated annual savings in energy cost on re-assessed capacity by using gas in place of Naphtha would be approx Rs. 3883 crore provided the price of gas and Naphtha remains at the level of 2010-11.