

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

UNSTARRED QUESTION NO:2483
ANSWERED ON:03.12.2009
PROFIT MARGIN ON UREA
Majhi Shri Pradeep Kumar

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

- (a) whether the retail price of urea has not revised since 2002;
- (b) if so, whether the profit margin of manufacturers of urea has remained same as it was in 2002;
- (c) if so, the details in this regard; and
- (d) the measures taken/proposed to be taken by the Government to safeguard the interests of the manufacturers of urea in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

a) to (c): There is no change in the MRP of urea since March 2002. The urea units are allowed 12% post tax return on capital employed in the costed year for arriving at the retail price before group averaging. The return allowed is not dependent on MRP of urea. It is based on costed year capital employed/networth of the units.

(d): The Government has taken various measures to encourage efficiency and safeguard the interest of urea producing units. Under NPS-III, pre-set energy norms have been notified for all the urea units. Savings in energy consumption achieved by the urea units with respect to pre-set energy norms are incentivized by payment at the weighted average basic rate of inputs consumed.