

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

UNSTARRED QUESTION NO:676
ANSWERED ON:27.07.2000
PRICE RISE OF CHEMICALS AND FERTILIZERS
RAMJILAL SUMAN;SUSHIL KUMAR INDORA;UTTAMRAO DEORAO PATIL

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

- (a) whether the Government have recently announced any hike in the prices of chemicals and fertilizers;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether net-profit of producers is also likely to increase as a result thereof;
- (d) if not, the permitted limit of profit these producers may earn on the total capital invested by them; and
- (e) the extent to which prices of chemical & fertilizers have been hiked during the last three years, separately, year-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS)

(a) & (b) There is no statutory control of the Central Government on the pricing of chemicals. The Maximum Retail Price (MRP) of Urea has been increased by 15% and indicative MRPs of DAP and MOP have been increased by 7% and 15% respectively w.e.f. 29.2.2000. The increase was because of fiscal considerations and the necessity for maintaining the balanced nutrient application.

(c) No, Sir.

(d) In case of urea manufacturing units, a post tax return of 12% on net worth is provided unit-wise under the Retention Price-cum-Subsidy Scheme by the Government.

(e) The details of price hikes of major fertilizers during last three years, separately, are given below:

(Rs. per MT)

S. Name of the fertilizer HIKE IN SALE PRICES
No. fertilizer 1997-98 1998-99 1999-2000

	Sale Effective Price from	Sale Effective Price from	Sale Effective Price from		
1	Urea	Rs.3660 21.2.1997	Rs.4000 29.1.1999	Rs.4600 29.2.2000	
2	DAP	Rs.8300 1.4.1997	No price hike during 1998-99	Rs.8900 29.2.2000	
3	MOP	Rs.3700 1.4.1997	No price hike during 1998-99	Rs.4255 29.2.2000	1998-99