

## **New Urea Policy – 2015:-**

Based on CCEA decision, Department of Fertilizers has notified New Urea Policy – 2015(NUP-2015) on 25<sup>th</sup> May, 2015 effective from 1<sup>st</sup> June 2015, with the objectives:-

- ✓ to maximize indigenous urea production;
  - ✓ to promote energy efficiency in the urea units; and
  - ✓ to rationalize the subsidy burden on the Government of India
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- Highest ever production of 245 LMT during 2015-16.
  - Highest ever additional production of 20 LMT of Urea during 2015-16 without adding additional capacity
  - The production of urea during the year 2016-17 and 2017-18 was 242.01 and 240.23 LMT, which is significantly higher than the production of urea during 2012-13 (225.75LMT) and 2013-14(227.15 LMT).
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- ✓ **Amendment to NUP-2015 dated 7<sup>th</sup> April, 2017:**
    - Para 5 of NUP-2015 amended: For production beyond Re-Assessed Capacity (RAC) during 2016-17, 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 sum of import parity price, other incidental charges which the government incurs on the import of urea and weighted average central Government levies per MT of urea paid by the Urea manufacturing units.
    - Para 8 was included in NUP-2015 as under:

“8. In the event of any fluctuation in Import Parity Price that would have adverse impact on the production beyond RAC by Urea units, Department of Fertilizers is authorised to take an appropriate decision in consultation with Department of Expenditure.”