

No. 12012/1/2015-FPP
Government of India
Ministry of Chemicals & Fertilizers
(Department of Fertilizers)

Shastri Bhawan, New Delhi.

Dated 8th June, 2015.

To
The Executive Director,
Fertilizer Industry Coordination Committee,
8th Floor, Sewa Bhawan, R. K. Puram,
New Delhi.

Subject: New Urea Policy-2015 for existing gas based urea manufacturing units.

Sir,

In continuation of this department's notification of even number dated 25th May 2015 on the above mentioned subject, I am directed to state the following:

- i. The provisions of above notification will be applicable to all gas based existing indigenous urea units excluding BVFCL II & III along with the policy notification L-12022 /3/2015-GP-II dated 20th May 2015 regarding guidelines for pooling of gas in fertilizers (urea) of Ministry of Petroleum and Natural Gas as amended on 29th May, 2015 to make it effective from 1st June, 2015.
- ii. For para 5 of New Urea Policy -2015 following clarification is being issued:
 - a. The variable cost referred in para 5 will be same as applicable up to re-assessed capacity.
 - b. The Import Parity Price (IPP) of urea will be calculated quarterly on the basis of weighted average CFR (Cost, Insurance and Freight) price during the quarter at Indian port on government account by designated urea importing agencies from international market.
 - c. This Department will quarterly notify the total incidental expenditure incurred during the quarter on imported urea in Rs. per Metric Tonne exclusive of Custom Duty.
 - d. The IPP and incidental expenditure incurred on imported urea in a quarter will be notified within one month from the end of the quarter. If there is no import during the quarter, then IPP and incidental

expenditure incurred on imported urea during the previous quarter shall be applicable.

- e. RAC means Re-assessed Capacity of a urea unit.
- iii. The benefit on account of energy savings will be calculated based on monthly pooled price of gas excluding transportation and applicable taxes i.e. basic rate only.

Yours faithfully,


(Vijay Ranjan Singh)
Director (F)
011-23386398

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CMD/MDs

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