

No.12012/14/2011-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 23rd June 2011

OFFICE MEMORANDUM

Subject:- **Notification of Import Parity Price (IPP) 2010-11 under New Investment Policy.**

In pursuance of Department of Fertilizer letter No.12012/3/2006-FPP, dated 8th March 2007 regarding policy for Stage-III of New Pricing Scheme for urea manufacturing units and letter No.12012/12/2007-FPP, dated 4th September 2008 regarding policy for new investments in urea sector and long term offtake of urea from joint venture abroad, the import parity price of urea which needs to be considered under the aforesaid policy along with the floor and the ceiling price are as below:-

| Months | IPP to be recognised | Cap @ US\$ 425/MT (Unit Rs./MT) | Floor @ US\$ 250/MT (Unit Rs./MT) | Quarterly rates of IPP under NPS-III Policy (Rs./MT) |
|--------------|----------------------|---------------------------------|-----------------------------------|--|
| April-10 | 13109.04 | 19519.80 | 11482.23 | |
| May-10 | 13400.07 | 19312.39 | 11360.23 | |
| June-10 | 13803.01 | 19238.54 | 11316.79 | 13437.37 |
| July-10 | 12881.48 | 19389.63 | 11405.67 | |
| August-10 | 12694.29 | 19720.77 | 11600.45 | |
| September-10 | 12699.30 | 19828.81 | 11664.00 | 12758.36 |
| October-10 | 12764.69 | 19757.19 | 11621.88 | |
| November-10 | 13152.76 | 19413.72 | 11419.84 | |
| December-10 | 14107.10 | 19194.05 | 11290.62 | 13341.52 |
| January-11 | 15147.67 | 19066.56 | 11215.62 | |
| February-11 | 16589.71 | 19205.76 | 11297.51 | |
| March-11 | 17386.83 | 19265.31 | 11332.54 | 16374.74 |

2. The above notified IPP is applicable for recognition of incentivisation of additional production both under the NPS-III policy and the New Investment Policy quote above.

3. It may be noted that no expansion projects/revival projects or Greenfield projects have been commissioned under the policy so far. However, there may have been instances of production from indigenous urea unit beyond the cut off quantities notified under the policy.

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4. It may also be noted that the indigenous units producing beyond the cut off quantity are eligible for payment at 85% IPP subject to floor and ceiling price only if the total production of the unit crosses 105% of the cut off quantity or 110% reassessed capacity, whichever is higher. Moreover, the APM gas should not be considered for production beyond the cut off quantities notified for each urea unit and should be necessarily taken for production of urea below the cut off quantity.

5. This issues with the concurrence of IFD vide their ID Note No.255/AS&FA/2011 dated 24.05.2011.

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