

File No. 23011/5/2013-MPR
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 3rd May, 2013

OFFICE MEMORANDUM

Subject: Implementation of the Nutrient Based Subsidy (NBS) policy for Phosphatic and Potassic (P&K) Fertilizers w.e.f. 01.04.2013- NBS Policy for 2013-14 and per MT Subsidy regarding.

The undersigned is directed to convey that per Kg subsidy on nutrients, namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S) contained in P&K fertilizers covered under NBS Policy for the year 2013-14 w.e.f 1st April 2013 shall be as under:

Sl. No.	Nutrients	NBS (Rs. per Kg of Nutrient)
1	N	20.875
2	P	18.679
3	K	18.833
4	S	1.677

2. Per Metric Tonne of subsidy on various grades of P&K fertilizers covered under NBS Policy shall be as under:

S. No	Grades of P&K fertilizers covered under the NBS Policy	NBS 2013-14 (Rs/MT)
1	DAP : 18-46-0-0	12350
2	MAP : 11-52-0-0	12009
3	TSP : 0-46-0-0	8592
4	MOP : 0-0-60-0	11300
5	NPS : 16-20-0-13	7294
6	NPS :20-20-0-13	8129
7	NPK 10-26-26-0	11841
8	NPK : 12-32-16	11496
9	NPK : 14-28-14	10789
10	NPK : 14-35-14	12097
11	NPK : 15-15-15	8758
12	AS: 20.6-0-0-23	4686
13	NP : 28-28-0-0	11075
14	NPK : 17-17-17	9926
15	NPK : 19-19-19	11094
16	SSP : 0-16-0-11	3173
17	NPK : 16-16-16-0	9342
18	DAPLite :16-44-0-0	11559
19	NPKS : 15-15-15-09	8909
20	NP : 24-24-0-0	9493
21	NP : 20-20-0-0	7911
22	NPS : 18-46-0-4	12350

Note: Fertilizer grade placed at serial number 22 shall be under subsidy scheme till 7th November 2013.



3. Any variant of the P&K fertilizers covered under NBS Policy fortified/coated with Boron and Zinc, as provided for under FCO, will also be eligible for subsidy. Such fortified/coated grades of fertilizers will attract an additional per tonne subsidy to encourage their application along with primary nutrients as per the rates mentioned below:

S. No.	Nutrients for fortification as per FCO	Additional subsidy (Rs/MT) for fortified/coated fertilizers
1	Boron (B)	300
2	Zinc (Zn)	500

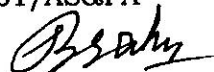
4. The market price of subsidized P&K fertilizers is open and fertilizer companies are allowed to fix MRPs at **reasonable** level. In case, the MRP fixed by the fertilizer companies are found to be unreasonable, the Department may take action as per the NBS Policy, as modified vide O.M. No.23011/5(NBS-Policy)/2013-MPR dated 3.5.2013.

5. At the level of subsidy announced for the year 2013-14, the fertilizer companies are required to reduce the MRP of DAP and MOP by a minimum of Rs 1500 PMT and Rs 1000 PMT respectively. For the purpose of reduction in MRP, the reference MRP of DAP and MOP shall be Rs 24000 PMT and Rs 17000 PMT respectively. A commensurate minimum reduction in MRP in other grades of fertilizers covered under the scheme shall be as under:-

S. No	Grades of Fertilizers	Expected reduction in MRP (Rs /MT)
1	MAP : 11-52-0-0	1477
2	TSP : 0-46-0-0	1078
3	NPS : 16-20-0-13	844
4	NPS :20-20-0-13	938
5	NPK 10-26-26-0	1277
6	NPK : 12-32-16	1298
7	NPK : 14-28-14	1218
8	NPK : 14-35-14	1382
9	NPK : 15-15-15	953
10	AS: 20.6-0-0-23	483
11	NP : 28-28-0-0	1313
12	NPK : 17-17-17	1080
13	NPK : 19-19-19	1207
14	SSP : 0-16-0-11	375
15	NPK : 16-16-16-0	1017
16	DAPLite :16-44-0-0	1406
17	NPKS :15-15-15-09	953
18	NP : 24-24-0-0	1125
19	NP : 20-20-0-0	938
20	NPS : 18-46-0-4	1500

Prakash

6. In case the MRP of P&K fertilizers are not reduced as indicated in para 5 and the companies are found to be indulging in undue profiteering, the IMC will review and recommend suitable measures for action by DOF. The action may include, recovery of subsidy to the extent of unreasonableness on that particular grade of fertilizer; removal of any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS scheme and also reduction in the NBS rates.
7. The fertilizer companies are required to print Maximum Retail Price (MRP) along with applicable subsidy on the fertilizer bags clearly. Any sale above the printed MRP will be punishable under the EC Act.
8. The distribution and movement of fertilizers along with import of finished fertilizers, fertilizer inputs and production by indigenous units will continue to be monitored through the online web based "Fertilizer Monitoring System (FMS)/mobile FMS".
9. 20% of the price decontrolled fertilizers produced/imported in India will continue to be in the movement control under the Essential Commodities Act 1955 (ECA). Department of Fertilizers will regulate the movement of these fertilizers to bridge the supplies in underserved areas.
10. Manufacturers/Marketers/Importers of P&K fertilizers, including manufacturers of SSP, are to ensure that fertilizers are transported up to the retail point on F.O.R delivery basis.
11. Manufacturers of customized fertilizers and mixture fertilizers will be eligible to source subsidized P&K fertilizers from the manufacturers/importers after their receipt in the districts as inputs for manufacturing customized fertilizers and mixture fertilizers for agricultural purpose. There would be no separate subsidy on sale of customized fertilizers and mixture fertilizers.
12. The payment of subsidy to the manufacturers/importers of P&K fertilizers shall be released as per the procedure and terms and conditions mentioned in the Department Notification No. D (FA)/CCEA/2011 dated 25.10.2012 and as amended from time to time by the Department.
13. The benefits to the manufacturers of P&K fertilizers on account of use of cheaper domestic gas shall be mopped up for which separate guidelines shall be issued.
14. This issues with the concurrence of IFD vide diary No.1861/AS&FA dated 3rd May 2013 and approval of the competent authority.



(P. B. Sahu)

Under Secretary to government of India
Tel: 2338 7492

1. Secretary (Agriculture), DAC, Krishi Bhawan, New Delhi.
2. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi.
3. Joint Secretary (INM), DAC, Krishi Bhawan, New Delhi.
4. Joint Secretary (PF-II), Department of Expenditure, North Block, New Delhi.
5. Joint Secretary, Prime Minister's Office, South Block, New Delhi.

6. Director (Cabinet), Cabinet Secretariat, Rashtrapati Bhawan, New Delhi .
7. Executive Director, FICC, Department of Fertilizers, New Delhi.
8. Director of Accounts, Department of Fertilizers, Udyog Bhawan, New Delhi.
9. DS(Finance)/DS(Budget), Department of Fertilizers, New Delhi.
10. Director General, FAI, New Delhi.
11. All the manufacturers & importers of P&K Fertilizers.
12. All SSP manufacturers.

Copy to:

1. Director, PMO, South Block, New Delhi.
2. Chief Secretaries/ All Agriculture Production Commissioners/ Secretaries (Agriculture) of the State Governments/ UTs.
3. Commissioners/Directors, Commissionerate/Directorate of Agriculture of the State Governments/ UTs.

Copy also to:

PS to MOS (Ind. Charge) C&F/PPS/PS to Secretary (Fertilizers)/ AS & FA/ JS(P&P) / JS(F&P) / JS(A&M) / Economic Advisor / Controller of Accounts / P&AO / US(Concession Wing) / Sr. AD (Accounts) FA Wing / AD (OL for translation in Hindi) / Guard File / Technical Director, NIC for uploading the same on the Department's website.



(P. B. Sahu)

Under Secretary to Government of India

OFFICE MEMORANDUM

Subject: Implementation of the Nutrient Based Subsidy (NBS) policy for Phosphatic and Potassic (P&K) Fertilizers.

The undersigned is directed to state that under the Nutrient Based Subsidy Policy for P&K fertilizers being implemented w.e.f. 1.4.2010, the fertilizer companies have been allowed to fix the MRPs of P&K fertilizers at "reasonable level" vide this Department letter No.23011/1/2010-MRP(pt) dated 8.7.11 read with Notification of even number dated 5.5.2011. The following further provisions are hereby added in the existing NBS Policy:-

- i. The market price of subsidized P&K fertilizers is open and fertilizer companies are allowed to fix MRPs at **reasonable** level.
- ii. It shall be mandatory for all the fertilizer companies to submit, along with their claims of subsidy, certified cost data in the prescribed format and as per the requirement for the purpose of monitoring of MRPs of P&K fertilizers fixed by the fertilizer companies.
- iii. In cases, where after scrutiny, unreasonableness of MRP is established or where there is no correlation between the cost of production or acquisition and the MRP printed on the bags, the subsidy may be restricted or denied even if the product is otherwise eligible for subsidy under NBS. In proven case of abuse of subsidy mechanism, DOF, on the recommendation of IMC may exclude any grade/grades of fertilizers of a particular company or the fertilizer company itself from the NBS scheme.
- iv. The reasonableness of MRP will be determined with reference to the MRP printed on the bags.

2. This issues with the concurrence of IFD vide No.1861/AS&FA dated 3rd May 2013 and approval of the competent authority.



(P. B. Sahu)

Under Secretary to Government of India

Tel: 2338 7492

1. Secretary (Agriculture), DAC, Krishi Bhawan, New Delhi.
2. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi.
3. Joint Secretary (INM), DAC, Krishi Bhawan, New Delhi.
4. Joint Secretary (PF-II), Department of Expenditure, North Block, New Delhi.
5. Joint Secretary, Prime Minister's Office, South Block, New Delhi.
6. Director (Cabinet), Cabinet Secretariat, Rashtrapati Bhawan, New Delhi .
7. Executive Director, FICC, Department of Fertilizers, New Delhi.
8. Director of Accounts, Department of Fertilizers, Udyog Bhawan, New Delhi.
9. Director (Finance), Department of Fertilizers, New Delhi.
10. Director General, FAI, New Delhi.
11. All the manufacturers & importers of P&K Fertilizers.
12. All SSP manufacturers.

No.23011/5(NBS-Policy)/2013-MPR dated 3rd May 2013

Copy to:

1. Director, PMO, South Block, New Delhi.
2. Chief Secretaries/ All Agriculture Production Commissioners/ Secretaries (Agriculture) of the State Governments/ UTs.
3. Commissioners/Directors, Commissionerate/Directorate of Agriculture of the State Governments/ UTs.

Copy also to:

PS to MOS (Ind. Charge) C&F/PPS/PS to Secretary (Fertilizers)/ AS & FA/ JS(P&P) / JS(F&P) / JS(A&M) / Economic Advisor / Controller of Accounts / P&AO / US(Concession Wing) / Sr. AD (Accounts) FA Wing / AD (OL for translation in Hindi) / Guard File / Technical Director, NIC for uploading the same on the Department's website.



(P. B. Sahu)

Under Secretary to Government of India