

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

Shastri Bhawan, New Delhi.  
Dated the 28<sup>th</sup> May 2015

**OFFICE MEMORANDUM**

Subject: Applicability of Nutrient Based Subsidy (NBS) rates on year-end stock of P&K fertilizers.

The undersigned is directed to state that the Nutrient Based Subsidy (NBS) Policy for decontrolled P&K fertilizers has been under implementation w.e.f 1<sup>st</sup> April 2010 vide Notification dated 4<sup>th</sup> March 2010. Under the Policy, a fixed amount of subsidy decided on annual basis is announced on each grade of these fertilizers based on their nutrient content. The MRPs of these fertilizers are fixed by the fertilizer companies at reasonable level.

2. The new subsidy rates announced by the Government are normally made applicable from the first day of the following financial year. The subsidy is paid based on the date of receipt/sale of fertilizers in the District HQ/dealer or retailers. The subsidy rates which are decided and announced by the government may vary and could be either more or less than those of previous year. At the time of announcement of new subsidy rates, the companies might have some stocks of finished fertilizers. The present NBS policy is silent on the applicability of subsidy on the year end closing stock of finished fertilizers.

3. The issue has been considered and it has been decided to deal with the closing stocks of fertilizers as under for the purpose of subsidy:-

- (i) In case of an increase in the rates of subsidy, stocks of all the finished fertilizers held by the company as well as finished fertilizers in transit but not received at the district headquarters as on the day preceding the effective date of the applicability of the revised rates of the subsidy shall be treated as closing stock at the end of previous year and shall be eligible for the subsidy rates of previous year.
- (ii) Conversely, whenever there is a reduction in the rate of subsidy, the closing stock of a particular grade of fertilizer on the date from which the revised rates become effective, shall be eligible for the revised rate of subsidy.

4. This issues with the concurrence of IFD vide diary No.215/SS&FA dated 25<sup>th</sup> May 2015 and approval of the competent authority.

  
(Anilkumar.V Patil)  
Director  
Tel: 2338 2552

1. Secretary (Agriculture), DAC, Krishi Bhawan, New Delhi.
2. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi.
3. Secretary (Planning Commission), Yojana Bhawan, New Delhi.
4. Secretary, Min. of Petroleum and Natural Gas, Shastri Bhawan, New Delhi
5. Joint Secretary (INM), DAC, Krishi Bhawan, New Delhi.

6. Joint Secretary (PF-II), Department of Expenditure, North Block, New Delhi.
7. Joint Secretary, Prime Minister's Office, South Block, New Delhi.
8. Joint Secretary (Cabinet), Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
9. Director, PMO, South Block, New Delhi
10. Executive Director, FICC, Department of Fertilizers, New Delhi.
11. Director (Fertilizer Accounts), Department of Fertilizers, Udyog Bhawan, New Delhi.
12. DS (Finance)/DS (Budget), Department of Fertilizers, New Delhi.
13. Director General, FAI, New Delhi.
14. All Urea Manufacturers and P&K Fertilizer Manufacturers & importers.

**Copy to:**

1. Chief Secretaries/ All Agriculture Production Commissioners/ Secretaries (Agriculture) of the State Governments/ UTs.
2. Commissioners/Directors, Commissionerate/Directorate of Agriculture of the State Governments/ UTs.

**Copy also to:**

PS to Minister (C&F)/PS to MOS for C&F/PPS/PS to Secretary (Fertilizers)/ SS & FA/ JS(HLS) / JS(SLG) / JS(SKL) / Economic Advisor / Controller of Accounts / P&AO / US (Concession Wing) / Sr. AD (Accounts) FA Wing / AD (OL for translation in Hindi) / All Sections in DOF/Guard File/Technical Director, NIC for uploading the same on the Department's website.