

File No. 23011/42/2010-MPR
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan New Delhi,
Dated the 23rd July 2012

OFFICE MEMORANDUM

Subject: Policy for reimbursement of freight for distribution of Phosphatic & Potassic (P&K) fertilizers under Nutrient Based Subsidy (NBS) Policy for (i) the period from 1.1.2011 to 31.3.2012, and (ii) with effect from 1.4.2012 onwards.

The undersigned directed to convey the approval of the Government for Policy on reimbursement of freight for distribution of P&K fertilizers under NBS Policy with effect from 1.1.2011, which is as under:

(A) Freight Policy for P&K fertilizers w.e.f. 1.1.2011 to 31.3.2012:

- (i) Reimbursement of freight on account of Primary Movement (by rail from the plant or the port to various rake points) of all P&K fertilizers (except SSP) shall be reimbursed on the basis of actual rail freight, as per the railway receipts.
- (ii) Reimbursement of freight on account of Secondary Movement (by road from the nearest rake points to the block headquarters in the Districts) of all P&K fertilizers (except SSP) shall be made as per the Uniform Freight Subsidy Policy (UFS) applicable to urea during the period.
- (iii) Freight subsidy for Direct Road Movement (by road from plant or port to blocks) of all P&K fertilizers (except SSP) shall be paid as per the actual claims subject to the equivalent rail freight as per the rates given below:

Movement up to (KM)	Rate Rs. per MT
0-100	108
101-200	183
201-300	256
301-400	327
401-500 (maximum)	400

- (iv) A lump sum freight subsidy of Rs. 200 PMT on SSP shall be paid w.e.f. 1.1.2011 to 31.8.2011 and thereafter no freight subsidy would be paid on SSP during the period from 1.9.2011 to 31.3.2012.

(B) Freight Policy for P&K fertilizers w.e.f. 1.4.2012:

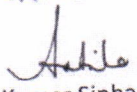
- (i) Freight on account of Primary Movement of all P&K fertilizers (except SSP) shall be reimbursed on the basis of actual rail freight, as per the railway receipts.
- (ii) There shall be no reimbursement on account of Secondary Movement of all P&K fertilizers (including SSP).

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(iii) Freight subsidy for Direct Road movement of all P&K fertilizers (excluding SSP) shall be reimbursed as per the actual claims subject to equivalent rail freight to be announced by DoF from time to time. The maximum allowable distance under the direct road movement shall be 500 Kms. Accordingly, the present rates/slabs of the equivalent rail freight for the Direct Road Movement as announced by the Department of Fertilizers vide O.M. No. 23011/1/2010-MPR dated 29.3.2012 may be treated as final.

(iv) Special compensation on account of secondary freight for all the P&K fertilizers (except SSP) shall be provided for difficult areas namely Himachal Pradesh, Uttarakhand, Sikkim, J&K, 7 N-E States and Andaman & Nicobar Islands. The rates for special compensation for these difficult States /UTs shall be decided/announced by the DOF.

(c) This issues with the concurrence of IFD vide diary no 573 dated 19.07.2012 and approval of competent authority.


Sanjay Kumar Sinha
Director
Tel: 2338 4889

- I. Secretary (Agriculture), DAC, Krishi Bhawan, New Delhi.
- II. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi
- III. Joint Secretary (INM), DAC, Krishi Bhawan, New Delhi.
- IV. Joint Secretary (PF-II), Department of Expenditure, North Block, New Delhi.
- V. Joint Secretary, Prime Minister's Office, South Block, New Delhi.
- VI. Director (Cabinet), cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
- VII. Executive Director, FICC, Department of Fertilizers, New Delhi.
- VIII. Director of Accounts, Department of Fertilizers, Udyog Bhawan, New Delhi.
- IX. Director General, FAI, New Delhi.
- X. All the manufacturers & importers of P&K Fertilizers.
- XI. All SSP manufacturers.

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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(C&F); PS to Secretary (Fertilizers); SS & FA; JS(P&P) ; JS(F&M) ; JS(P&A) ; 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.