

No.23011/6/2014-MPR
Government of India
Ministry of Chemicals and Fertilizers
Department of Fertilizers

Shastri Bhavan, New Delhi
Dated the 21st September 2017

Office Memorandum

Subject: Modified guidelines in respect of registration of importers of P&K fertilizers and their eligibility for subsidy under NBS Scheme.

In partial modification of guidelines regarding registration of importers of P&K fertilizers and their eligibility for subsidy under NBS Scheme issued vide O.M.No.19011/11/2009-MPR dated 17.8.2009, No.19011/11/2009-MPR dated 13th October 2010 and No.23011/06/2014-MPR dated 3rd March 2015, the undersigned is directed to issue a modified guidelines relating to registration of importers of P&K fertilizers and their eligibility/procedure of release of subsidy as under:

(A) Procedure for inducting the companies into NBS as importer of P&K fertilizer: -

- a) Any company/importer, intending to register itself as an importer of P&K fertilizers, has to make an application in its letter head to DOF with following documents:
 - (i) Copy of valid Registration Certificate under FCO.
 - (ii) Copy of the Memorandum of Association and Articles of Association of the Company along with the copy of the latest Audited Annual Report.
 - (iii) Copy of the Certificate of Incorporation issued by the Registrar of Companies.
 - (iv) The details of fertilizers to be imported, action plan for fertilizer business and area of operations for fertilizer business alongwith source of funding, dealership network, if any, plan for selling the imported fertilizers and any other document specifically asked for by DOF.
- b) Based on the examination of the above-mentioned documents, the Department will consider induction of the applicant into Nutrient Based Subsidy Policy after approval of Competent Authority.

(B) Registration in Fertilizer Monitoring System.

After induction in the NBS Scheme, the fertilizer company will get registered in the FMS/mFMS/iFMS, as the case may be, for making entries of invoice, load port analysis, bill of lading, bill of entry etc. as required under the provisions. In this regard, the applicant will make an application to Director (FA), Dept. of Fertilizers, Udyog Bhawan, New Delhi. The newly inducted company is also required to make an application to Director (Movement), Dept. of Fertilizers, Shastri Bhawan, New Delhi to get its supply/ movement plan for its imported fertilizers before movement of fertilizers for sale.

(C) Procedure for releasing payment of subsidy under Nutrient Based Subsidy:

a) Existing Importers:

- (i) 85% 'on account' payment (90% if Bank Guarantee is given) on claim by the importers on receipt of the fertilizers in the district.
- (ii) Balance (15% or 10% as the case may be) on receipt of claim by the importers certified by their Statutory Auditor that the fertilizer so received in the district has been sold to Dealers/ Cooperatives/ Manufacturers of mixture fertilizers and customized fertilizers/marketing federations of State Government/ Institutional agencies.
- (iii) Certification of the concerned State Govt. within 30 days of the claim certifying receipt of fertilizers in the district is required to reconcile the payment.
- (iv) For entitlement of subsidy for imports by an importer, the Bill of lading or bill of entry should bear the name of the concerned importer.


b) New Importers/ Re-inducted Importer.

- (i) After induction/recognition, a new importer will be eligible to receive full amount (100%) of subsidy only after certification of sales by the concerned State Governments in proforma 'B' and also retailer acknowledgement in mFMS/iFMS.
- (ii) A new importer is eligible for 'on account' subsidy payment at par with other P&K fertilizer companies on completion of two years from the date of first import subject to the condition that the company should have imported at least a minimum quantity of 30000 MT in two (2) years, out of which a minimum of 15000 MT is in any one year and obtained Proforma-B certificate for the imported quantity from the State Government.

- (iii) However, the provision b (ii) will not apply to the new/re-inducted importers which are also indigenous Urea/P&K manufactures (except SSP) covered under New Urea Policy/NBS Policy. These importers will get the "On Account" payment of subsidy on the receipt of the fertilizers in the district as per the provision at Para (C) (a) (i) to (iv).
- (iv) The period of two years for eligibility for 85% 'on account' subsidy to new exclusive importers will be relaxed, if the importer is willing to offer Bank Guarantee against 100% payment of the subsidy claim under the NBS Scheme. In that case, the balance 15% subsidy would be released to the importer on certification of sales by State Government in Proforma 'B' and also retailer acknowledgement in mFMS/iFMS.
- (v) For entitlement of subsidy for imports by an importer, the Bill of lading and bill of entry should bear the name of the concerned importer.
- (vi) The provisions at Para (C) (b) (i) to (iv) will also be applicable to those importers who have been permitted to import P&K fertilizers in the preceding two years from the date of issuance of this guidelines.

(D) Cancellation of registration and re-registration:

- i. If any new company after induction into the subsidy scheme fails to import any subsidised P&K fertilizer continuously for 2 years or any existing company fails to import/does not import any subsidised P&K fertilizer during two continuous financial years, the registration of the importer may be deemed to be cancelled. For becoming eligible for subsidy the company shall require to get re-registered in the subsidy scheme, for which it shall submit a request alongwith a contract signed with a supplier/trader of fertilizers for purchase of importer fertilizers, to the DOF with reasons for not importing the P&K fertilizer in the preceding period. The Department will consider such requests based on the facts and justification given by the company.
 - ii. After re-registration/re-induction, the company is required to follow the procedure as explained under (B) above.
2. This issues with the concurrence of IFD vide diary No 493 dated 08.09.17 and the approval of Hon'ble Minister (C&F).


(D. P. Srivastava)
Director
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1. All State Agriculture Secretaries/Directors
2. Director (FA), DOF, Udyog Bhawan, New Delhi.
3. Director (Movement), DOF, Shastri Bhawan, New Delhi.
4. Director (Finance), DOF, Shastri Bhawan, New Delhi
5. DG, FAI, New Delhi
6. Director (NIC) for uploading in website.
7. Hindi Section w.r.t. provide Hindi version.