

File No.23011/1/2010-MPR
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Room No. 407, B-Wing,
Shastri Bhavan, New Delhi
The 11th July 2011

Office Memorandum

Subject: Mopping up the subsidy increase with respect to opening stock of Phosphatic & Potassic fertilizers and its raw materials as on 1.4.2011, under Nutrient Based Subsidy Policy.

The Government has considered the increase in the prices of fertilizers and its raw materials in the International market in the past few months and has approved higher subsidy rates for decontrolled Phosphatic & Potassic fertilizers for 2011-12, vis-à-vis 2010-11. Since, the opening stocks of raw materials/finished fertilizers as on 1.4.2011 has been procured by fertilizers companies at lower rates during 2010-11, the matter w.r.t. the subsidy rates for these quantities of opening stocks as on 1.4.2011 has been under the consideration of the Department.

2. The matter has been examined in the Department and accordingly, it has been decided to make payment to the manufacturers/importers on the carried over quantity of P&K fertilizers including SSP and various raw materials for P&K fertilizers as on 31.3.2011 as per the NBS rates prevailing from 1.1.2011 to 31.3.2011 announced on 1.12.2010.
3. Figures of closing stock of various P&K fertilizers as on 31.3.2011 at plants/ports and in transit or in the field shall be given by the respective fertilizer companies duly certified by their statutory auditors and by their authorized signatories. The information in respect of the closing stock of SSP in respect of each unit as on 31.3.2011 may be relied upon as provided by PDIL tallied with that furnished by the SSP units in Proforma 'E' for the claim of the relevant month.
4. The quantity of various P&K fertilizers received in the districts by 31st March 2011 will be paid subsidy at the rates of subsidy prevailing during 2010-11.
5. For deciding as to which quantity of P&K fertilizers and their raw materials/intermediates belongs to 2010-11 for lower subsidy rates, it is hereby decided that the material, whose loading in ship/wagon/lorry started anytime up to midnight of 31.3.2011 at the site of various suppliers of fertilizers and raw materials, will be considered for lower subsidy rates of 2010-11.
6. Accordingly, Director (FA) is requested to kindly make payments for the carried over quantity of P&K fertilizers including SSP as on 31.3.2011 on the rates as announced vide letter dated 1.12.2010 and effect recovery of any excess subsidy if already paid at higher subsidy rates of 2011-12. Recovery due on account of old stock of raw materials may also be effected.



Contd.:2

7. Various companies will submit data to DOF and DOF will calculate the subsidy difference to be mopped up with respect to the quantity of P&K fertilizers and their raw materials.

8. This issues with the approval of Secretary (Fertilizers) and concurrence of IFD, vide Dy. No. 532/AS&FA, Dated 7.7.2011

(Varinder Gupta)
Under Secretary to the Government of India
Telefax : 011-23388536

Director (FA),
Department of Fertilizers,
Udyog Bhawan, New Delhi.

Copy for information to :

- (i) FAI
- (ii) All manufacturers/importers of P&K fertilizers (including SSP manufacturers/marketers)
- (iii) MD, PDIL with the request to provide information in respect of the closing stock of SSP with the manufacturers/marketers as on 31.3.11.
- (iv) CA/P&AO
- (v) Director (Finance)/AFA/SO (Finance)
- (vi) Sr. AD(Concession Wing)/AD(FA Wing)
- (vii) NIC for uploading on the Department's website (fert.nic.in)
- (viii) AD(OL) for Hindi translation.

The quantity of various P&K fertilizers received in the districts by 31. March 2011 will be paid subsidy at the rate of subsidy prevailing during 2010-11.

For deciding as to what quantity of P&K fertilizers and their raw materials are to be mopped up with respect to the closing stock of P&K fertilizers and their raw materials, the material whose leading in shipwagon/containers stated anytime up to 31.3.2011 at the site of various suppliers of fertilizers and raw materials, will be considered for lower subsidy rate of 2010-11.

Accordingly, Director (FA) is requested to kindly make payments to the Government of India for P&K fertilizers including SSP as on 31.3.2011 on the rate as announced vide letter dated 12.2.2011 and effect recovery of any excess subsidy paid at higher subsidy rate of 2011-12. Recovery due on account of old stock of raw materials may also be effected.