

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

Shastri Bhawan, New Delhi
Dated the 29th March 2012

OFFICE MEMORANDUM

Subject: Implementation of the Nutrient Based Subsidy (NBS) policy for Phosphatic and Potassic (P&K) Fertilizers for the year 2012-13 to be implemented w.e.f. 01.04.2012.

The undersigned is directed to convey that primary nutrients, namely Nitrogen (N), Phosphate (P), Potash (K) and secondary nutrient, Sulphur (S) content in P&K fertilizers covered under NBS Policy shall be eligible for NBS. Per Kg NBS for nutrients, N, P, K and S for the year 2012-13 w.e.f 1st April 2012 shall be as under:

Sl. No.	Nutrients	NBS (Rs. per Kg of Nutrient)
1	N	24.000
2	P	21.804
3	K	24.000
4	S	1.677

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

S.No	P&K Fertilizer grades under NBS	NBS 2012-13 (Rs per MT)
1	AS : 20.6-0-0-23	5330
2	DAP : 18-46-0-0	14350
3	DAP Lite : 16-44-0-0	13434
4	MOP : 0-0-60-0	14400
5	MAP : 11-52-0-0	13978
6	TSP : 0-46-0-0	10030
7	SSP : 0-16-0-11	3673
8	NPS: 16-20-0-13	8419
9	NPS: 20-20-0-13	9379
10	NP: 20-20-0-0	9161
11	NP: 23-23-0-0	10535
12	NP: 24-24-0-0	10993
13	NP: 28-28-0-0	12825
14	NPK:10-26-26-0	14309
15	NPK: 12-32-16-0	13697
16	NPK: 14-28-14-0	12825
17	NPK: 14-35-14-0	14351



18	NPK: 15-15-15-0	10471
19	NPKS: 15-15-15-09	10622
20	NPK: 16-16-16-0	11169
21	NPK: 17-17-17-0	11867
22	NPK: 19-19-19-0	13263
23	DAP Lite grade II 14:46:0:0	13390
24	MAP Lite 11:44:0:0	12234
25	13:33:0:6	10416

Note: Fertilizer grades mentioned at Sl. No. 23 to 25 are covered under NBS Policy till 29.8.2012.

3. The matter of change in the method for computation of subsidy on P&K fertilizer grades having less than 85% water soluble P₂O₅ content is currently under examination. The change in the rates of subsidy, if any, on this account would be applicable from prospective date except for TSP (36.8% water soluble P₂O₅ content) in whose case it would be applicable with effect from 16.11.2011.

4. Any variant of the P&K fertilizers covered under NBS Policy coated/fortified with secondary and micronutrients (except Sulphur 'S'), as provided for under FCO, will also be eligible for subsidy. The secondary and micro-nutrients (except 'S') in such fertilizers will attract a separate per tonne subsidy to encourage their application along with primary nutrients as below:

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

5. 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)".

6. 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.

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7. Freight reimbursement on account of primary movement of P&K fertilizers (except SSP) by railway shall be paid as per actual on the basis of railway receipts. No freight reimbursement shall be made on account of secondary movement of P&K fertilizers. Freight reimbursement on account of direct road movement of P&K fertilizers (except SSP) shall be paid as per the actual subject to maximum of equivalent rail freight. Maximum allowable distance under direct road movement shall be 500 kms. For the purpose of equivalent rail freight the following rates shall be applicable:-

Movement(KM)	Rate (Rs/MT)
Upto 100	130
101 to 200	224
201 to 300	316
301 to 400	407
400 to 500	500

Freight reimbursement as indicated above is provisional.

8. Though the market price of subsidized P&K fertilizers are open and fertilizer companies are allowed to fix MRPs at reasonable level based on demand supply dynamics, they will be required to print Maximum Retail Price (MRP) along with applicable NBS per MT on the fertilizer bags clearly. Any sale above the printed MRP will be punishable under the EC Act.

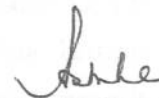
9. Manufacturers/Marketers/Importers of P&K fertilizers, including SSP, are required to ensure that fertilizers are transported up to the retail point on F.O.R delivery basis.

10. 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.

11. The payment of NBS to the manufacturers/importers of P&K fertilizers (except SSP) covered under NBS Policy shall be released as per the procedure followed vide this Department notification No. 19011/59/2003-MPR (Pt.) dated 12.3.2009. Payment of NBS to the manufacturers/marketers of SSP shall be released as per the procedure and terms and conditions mentioned in this Department notification No. 22011/4/2007-MPR dated 13.8.2009 and No.23011/1/2010-MPR dated 21.4.2010 and as amended from time to time by the Department.

12. The benefits to the manufacturers of P&K fertilizers on account of use of cheaper APM gas shall be mopped up for which separate guidelines shall be issued.

13. This issues with the concurrence of IFD vide diary No 2040 Dated 27/3/2012 and approval of the competent authority.



(Sanjay Kumar Sinha)
Director
Tel: 2338 4889

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

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(C&F) / PS to Secretary (Fertilizers)/ AS & 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.



(Sanjay Kumar Sinha)
Director