

23011/1/2010-MPR (pt)
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
The 5th May 2011

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.

Subject: Implementation of the Nutrient Based Subsidy (NBS) policy for Phosphatic and Potassic (P&K) Fertilizers w.e.f. 01.04.2011–NBS Policy w.e.f 1st April 2011 for 2011-12 and Revised per MT Subsidy, regarding.

Madam/Sir,

In supercession of this Department letter of even no. dated 9th March relating to NBS w.e.f 1st April 2011 for 2011-12, I am directed to say that the Department of Fertilizers has announced revised NBS for P&K fertilizers (including SSP) w.e.f 1st April 2011 for 2011-12 as per the details below.

2. NBS will be applicable for indigenously produced and imported Di-Ammonium Phosphate (DAP, 18-46-0), Di-Ammonium Phosphate Lite (DAP Lite, 16-44-0), Mono Ammonium Phosphate (MAP, 11-52-0), Triple Super Phosphate (TSP, 0-46-0), Muriate of Potash (MOP, 0-0-60), 15 grades of complex fertilizers, Single Super Phosphate (SSP, 0-16-0-11) and indigenous Ammonium Sulphate (AS, 20.6-0-0-23 Caprolactum grade produced by GSFC and FACT).

3. Primary nutrients, namely Nitrogen 'N', Phosphate 'P' and Potash 'K' and secondary nutrient Sulphur 'S' contained in the fertilizers mentioned above will be eligible for NBS. Per Kg NBS for nutrient 'N' 'P' 'K' and 'S' for 2011-2012 w.e.f 1st April 2011 would be as follows:

Sl No.	Nutrients	NBS (Rs. per Kg of Nutrient)
1	"N"	27.153
2	"P"	32.338
3	"K"	26.756
4	"S"	1.677

4. Per MT NBS for different P&K fertilizers for 2011-2012 w.e.f 1st April 2011 would be as follows:

Sl. No	Fertilizers	NBS (Rs. per MT)
1.	DAP (18-46-0-0)	19763
2.	DAP Lite (16-44-0-0)	18573
3.	MAP (11-52-0-0)	19803
4.	TSP (0-46-0-0)	14875
5.	MOP (0-0-60-0)	16054
6.	SSP (0-16-0-11)	5359
7.	NPS: 16-20-0-13	11030
8.	NPS: 20-20-0-13	12116
9.	NP: 20-20-0-0	11898
10.	NP: 23-23-0-0	13683
11.	NP: 24-24-0-0	14278
12.	NP: 28-28-0-0	16657
13.	NPK: 10-26-26-0	18080
14.	NPK: 12-32-16-0	17887
15.	NPK: 14-28-14-0	16602
16.	NPK: 14-35-14-0	18866
17.	NPK: 15-15-15-0	12937
18.	NPKS: 15-15-15-09	13088
19.	NPK: 16-16-16-0	13800
20.	NPK: 17-17-17-0	14662
21.	NPK: 19-19-19-0	16387
22.	Ammonium Sulphate (20.6-0-0-23)	5979

5. In addition to the NBS mentioned above, a separate additional subsidy will be provided to the indigenous manufacturers (M/s FACT, M/s MFL and M/s GNVFC) producing complex fertilizers using Naphtha based captive Ammonia to compensate for the higher cost of production of 'N'. However, this will be available up to 31st March 2012 during which the units of these three manufacturers (FACT, MFL and GNVFC) will have to convert to gas or use imported Ammonia thereafter.

6. Any variant of the fertilizers mentioned above 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:

Sl No.	Nutrients for fortification as per FCO	Additional subsidy Rs. per MT of fortified/coated fertilizers
1	Boron 'Bn'	300
2	Zinc 'Zn'	500

7. 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)".

8. 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.

9. Freight subsidy under NBS on the decontrolled subsidized P&K fertilizers (except SSP) for rail movement would be paid as per actual claim as per Railway Receipt (RR). Secondary freight for the P&K fertilizers (except SSP) will be paid in line with the "Uniform Freight" applicable for urea. Freight for direct road movement would be subject to lower of actual freight claim and equivalent rail freight. Direct road movement will be allowed to a maximum distance of 500 KM. For the purpose of admissibility of equivalent rail freight for direct road movement, following rates would be applicable:

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

Policy for freight for secondary movement and direct road movement as mentioned above is provisional.

10. In addition to the NBS for SSP mentioned in paragraph 4 above, a lump sum freight of Rs. 200 per MT will be provided.

The policy mentioned in the above-mentioned Para 9 and 10 will be governed by letter No. 23011/1/2010-MPR dated 21.4.2011.

11. Manufacturers / marketers of P&K fertilizers, including SSP, will be required to continue to ensure that fertilizers are transported up to the retail point since freight is being paid to them.

12. Though the market price of subsidized P&K fertilizers will be open and will be announced by the fertilizer companies, they will be required to print Maximum Retail Price (MRP) along with applicable NBS per bag on each fertilizer bag clearly. Any sale above the printed MRP is punishable under the EC Act. The companies have the freedom to increase the MRP of DAP by Rs. 600/- PMT in addition to the MRP prevailing at present (Rs. 10750/- per MT). Proportionate increase in MRPs of NPKS complexes would also be admissible.

Counter Vailing Duty/Excise Duty as applicable would also be recoverable by way of suitable increase in MRPs.

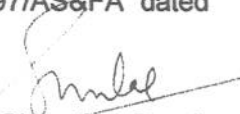
13. Boron 'Bn' has been included as a nutrient under the NBS for additional subsidy.

14. Manufacturers of customized fertilizers and mixture fertilizers will be eligible to source subsidized 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.

15. The payment of NBS to the manufacturers/importers of DAP/DAP Lite/MAP/TSP/MOP/15 grades of Complex Fertilizers/ AS shall be released as per the procedure followed vide notification No. 19011/59/2003-MPR (Pt.) dated 12.3.2009 of the Department and as amended from time to time. Payment of NBS to the manufacturers/marketers of SSP shall be released as per the procedure and terms and

conditions mentioned in notification No. 22011/4/2007-MPR dated 13.8.2009 of the Department and as amended from time to time by the Department and No. 23011/1/2010-MPR dated 21st April 2010 and 3rd May 2011.

16. This issues with the concurrence of the IFD vide diary no. 197/AS&FA dated 5.5 2011 and approval of the competent authority.


(Sham Lal Goyal)
Joint Secretary to the Government of India
Tel: 2338 8481

Copy to:

1. Secretary (Agriculture), Department of Agriculture & Cooperation, Krishi Bhawan, New Delhi.
2. Secretary (Expenditure), Department of Expenditure, North Block, New Delhi.
3. Joint Secretary (INM), Department of Agriculture & Cooperation, Krishi Bhawan, New Delhi.
4. Joint Secretary (PF-II), Department of Expenditure, North Block, New Delhi.
5. Dy. Secretary (Cabinet), Cabinet Secretariat, Rashtrapati Bhawan, New Delhi
6. Executive Director, FICC, Department of Fertilizers, New Delhi
7. Director of Accounts, Department of Fertilizers, Udyog Bhawan, New Delhi
8. Director (Finance), Department of Fertilizers, New Delhi
9. Director General, FAI, New Delhi
10. All the manufacturers & importers of P&K Fertilizers
11. All SSP manufacturers /marketers

Copy also to: Office of the Finance Minister, North Block, New Delhi.

Copy also to: Ms. Vini Mahajan, Joint Secretary, Prime Minister's Office, South Block, New Delhi

Copy also to: PS to Minister (C&F)/PS to MOS(C&F)/PS to Secretary (Fertilizers)/ AS & FA/ JS(P&P)/ JS(F&P)/ JS(A&M)/ 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.


(Sham Lal Goyal)
Joint Secretary to the Government of India