

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

**Shastri Bhawan, New Delhi**  
**The 21<sup>st</sup> April 2010**

To

1. The Chief Secretaries/ All Agriculture Production Commissioners/ Secretaries (Agriculture) of the State Governments/ UTs
2. The Directors, Directorate of Agriculture of the State Governments/ UTs.

**Subject: Implementation of the Nutrient Based Subsidy (NBS) policy for Single Super Phosphate (SSP) fertilizer w.e.f 1<sup>st</sup> May 2010.**

**Madam/Sir,**

With reference to the subject mentioned above, I am directed to say that the following policy has been announced by the Government applicable in case of production and sale of Single Super Phosphate (SSP) fertilizer under NBS.

- 2). The per Kg NBS for nutrient 'P' and 'S' for 2010-2011 w.e.f 1<sup>st</sup> May 2010 for SSP would be as follows:

Sl No.	Nutrients	NBS per Kg of nutrient (Rs.)
1.	"P"	26.276
2.	"S"	1.784

Accordingly, Per MT NBS for Powdered SSP and Granulated SSP meeting quality specifications as per the FCO for 2010-2011 w.e.f 1<sup>st</sup> May 2010 would be Rs. 4400 per MT, which would be inclusive of cost of freight. Additional per MT subsidy for fortified SSP with Boron will be Rs. 300.

- 3). The production, distribution and movement of SSP will be monitored through the online web based Fertilizer Monitoring System (FMS). The SSP manufacturers / marketers would be required to furnish month-wise supply plan well in advance and not later than by 15<sup>th</sup> of the preceding month on line to the Department.

*[Handwritten Signature]*

- 4). 20% of SSP produced will now be in the movement control under the Essential Commodities Act 1955 (ECA). Department of Fertilizers will regulate the movement of SSP fertilizer to bridge the supplies in under-served areas.
- 5). The SSP producers/marketers will be required to print Maximum Retail Price (MRP) along with applicable NBS on the fertilizer bags clearly under FCO. Any sale above the printed net MRP will be punishable under the EC Act.
- 6). Payment of NBS to the manufacturers/marketers of SSP shall be released as per the procedure mentioned in notification No. 22011/4/2007-MPR dated 13.08.2009 of the Department and subject to monitoring through the FMS. Producers along with marketers, as applicable, are required to certify quality of SSP as per the FCO for availing NBS. 'On Account' Payment of 85% for sales w.e.f 1<sup>st</sup> May 2010 will be made on the basis of the claim submitted by the eligible manufactures/marketers of SSP in Proforma 'A' & 'C' certified by their statutory auditor on sale of Powdered, Granulated and Boronated SSP after receipt in the district of the State/UT. The 'On Account' payment is contingent on the manufacturers / marketers certifying that 'Quality Certified' stamp (quality as per FCO) has been put on each bag of SSP released in the market and also certification of quality of SSP as per the FCO at the point of production by the State/UT in which the production unit is located. The balance payment will be made after certification of sales of SSP is received from the State/UT Government concerned (State/UT in which sales has taken place) certifying quantity of SSP sold w.e.f 1<sup>st</sup> May 2010 as well as its quality as per FCO as per Proforma 'B'. The State/UT Governments are also required to mention that the bags of SSP sold in the State/UT contained the stamp 'Quality Certified'.
- 7). The responsibility of regulation and maintaining quality of SSP produced and sold in the States/UTs as per the specifications of the FCO is of the State/UT Governments. The State/UT in which the SSP units are located is required to inspect and certify the quantity of SSP produced and its quality at the point of production in the concerned States/UTs for enabling the manufacturers/marketers of SSP to claim 'On Account' payment. Such certificate would be submitted every month by the concerned State /UT Government. The manufacturers/ marketers are also required to certify to the Department that bags of SSP have been released in the market with stamp 'Quality Certified'. The State/UT Government concerned, in which sale of SSP has taken place, is required to certify quantity of sales of SSP as well as its quality as per FCO for final settlement of the claim for subsidy.
- 8). NBS for SSP w.e.f 1<sup>st</sup> May 2010 will be provided to those eligible SSP units only, which have either annual capacity utilization of at least 50% or



annual production of 40,000 MT of SSP. For the purpose of recognizing capacity utilization / production, capacity as on 31<sup>st</sup> March 2010 will be taken into account. Capacity utilization/ production for 2009-10 (1<sup>st</sup> April 2009-31<sup>st</sup> March 2010) will be taken into account for the capacity utilization/ production benchmark as above for NBS for sales of SSP w.e.f. 1<sup>st</sup> May 2010. The SSP units are required to inform the Department their installed capacity as on 31<sup>st</sup> March 2010 and production for 2009-10 certified by the statutory auditor with a copy to the PDIL/inspection agency. PDIL/inspection agency will also be required to submit a separate report on the installed capacity and production of the units as above. Any new SSP unit installed on or after 1<sup>st</sup> May 2010 would be considered eligible for NBS only if it has installed capacity of one lakh MT per annum and above.

9). PDIL/an accredited inspection agency of national/international repute would be employed for inspection of SSP quality and its retail prices at the production site as well as at the wholesale/retail points. In case of any deviation / violation of quality parameters and maximum retail prices, the SSP producer and/ or marketer concerned would be excluded from the NBS. In addition, the State/UT Governments concerned are requested to recommend to the DoF exclusion of any SSP producer/ marketer from the NBS in case they find deviation/ violation of quality parameters under FCO, conditions mentioned herein and conditions of the Memorandum of Understanding (MOU) entered into by the SSP manufacture/marketer with the Department. The DoF would take appropriate action on their recommendations. The State/UT Governments may also take appropriate action under FCO for any such deviation. Further, in case SSP is sold at higher than the agreed MRP as per the MOU, apart from exclusion from the NBS, recovery of differential between the agreed MRP and the MRP at which manufacturer/marketer sold SSP for the entire quantity would be made by the Department.

10). NBS policy for SSP is optional and available to only those manufacturers/marketers of SSP who will adhere to quality standards and maintain the Maximum Retail Price (MRP) printed in the bag. The SSP producers/ manufacturers who wish to opt for the NBS policy for SSP would be required to enter into an MOU as per the enclosed Proforma with the Department to avail NBS.

11). This issues with the concurrence of the Internal Finance Division of Department of Fertilizers vide their Dy. No 589/AS&FA/10 dated 20<sup>th</sup> April 2010.

  
(H. Abbas)

Deputy Secretary to the Government of India  
Tel: 2338 3814

**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. Director (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

**Copy also to:**

PS to Minister (C&F)/PS to MOS(C&F)/Sr. PPS 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.

**Copy also to:** Shri Sanjay Mitra, Joint Secretary, Prime Minister's Office, South Block, New Delhi.

*H. Abbas*  
(H. Abbas)

Deputy Secretary to the Government of India

**Proforma**  
**Memorandum of Understanding (MOU)**  
**Between the SSP manufacturer/ marketer**  
**and**  
**the Department of Fertilizers**

This Memorandum of Understanding is entered into between <the name of the SSP manufacture/marketer> and Department of Fertilizers (DOF) on \_\_\_\_\_ day of \_\_\_\_\_ 2010.

WHEREAS, DOF has announced NBS policy for production and sale of SSP in the country vide letter of no. 23011/1/2010-MPR dated 19<sup>th</sup> April 2010 w.e.f 1<sup>st</sup> May 2010;

WHEREAS, <the name of the SSP manufacture/marketer> opts to produce and sale SSP under the NBS policy as announced by the Department of Fertilizers;

NOW, THEREFORE, it is hereby agreed as follows:

1. M/s <the name of the SSP manufacture/marketer> agree to abide by all the conditions of quality parameters under FCO and the conditions stipulated in letter no. 23011/1/2010-MPR dated 19<sup>th</sup> April 2010 w.e.f 1<sup>st</sup> May 2010 regarding availing NBS on sale of SSP after receipt in the district;
2. M/s <the name of the SSP manufacture/marketer> agree to fix a Maximum Retail Price (MRP) of Rs. \_\_\_\_\_ per MT for sale of Powdered SSP and Rs. \_\_\_\_\_ per MT for sale of Granulated SSP inclusive of freight charges excluding local taxes;

This Memorandum of Understanding done at \_\_\_\_\_ and signed by the Parties hereto on \_\_\_\_\_ 2010.

ON BEHALF OF THE GOVERNMENT INDIA

BY \_\_\_\_\_

ON BEHALF OF THE COMPANY

BY \_\_\_\_\_

*Handwritten signature*

