

No. 23011/10/2016-MPR

(भारत सरकार)

Government of India

(उर्वरक विभाग)

Department of Fertilisers

Shastri Bhawan, New Delhi

Dated: 17th June, 2019

OFFICE MEMORANDUM

Sub: Policy for reimbursement of freight subsidy for distribution of Subsidised fertilizers through Coastal Shipping or/and inland waterways.

In supersession of this Department's O.M. No. 12018/11/2007-FPP dated 25.06.2010 & 14.07.2010 and OMs of even number dated 13.10.2016 & 29.03.2017 on the subject mentioned above, the undersigned is directed to convey the decision of the Competent Authority to allow movement of fertilisers through Coastal Shipping/Inland waterways alongwith the Road movement that follow the Coastal Movement/Inland Water movement upto the rake point in the destination district to make it qualify for reimbursement of freight subsidy under the primary movement. The Primary movement will refer to movement of subsidised fertilisers by rail and/or coastal shipping/inland water transportation including road bridging (only in case of use of Coastal Shipping or inland waterways) upto the rake point in the destination district or by any or two or by all three modes of transportation from the plant or port to various rake points in the destination districts. The salient features of the policy for reimbursement of freight claims of the companies using coastal shipping/inland waterways for the movement of fertilizers are as under: -

- (i) Only the movement of subsidised indigenous fertilizers (Urea and P&K fertilizers) through coastal shipping/inland waterways will be eligible for the payment of freight subsidy at this stage.
- (ii) As the movement of only domestic fertilizers will be eligible for freight subsidy payment, there is no need of checking the port clearance certificate issued by Custom authorities.
- (iii) In case of single mode or multi modal transportation of fertilizers which includes coastal shipping also, the freight subsidy for movement of fertilizers will be restricted to the railway charges or actual freight incurred whichever is less.
- (iv) For claiming freight subsidy in case of multimodal transportation of fertilizers, which includes movement through coastal shipping/ inland waterways also, the fertilizer companies will submit the multimodal transportation bill duly certified by the statutory auditors. Such bills duly certified by Statutory Auditors of the company would be treated as sufficient proof of actual freight charges incurred by fertilizer companies.

The authenticity of the actual cost claims lies entirely with the party making the claims. Any false declaration before the public servant regarding such costs shall attract criminal/ civil action under appropriate legal provision.

- (v) The companies will submit the nearest rake point in the destination point, equivalent lead railway distance to the nearest rake point in the destination district along with the actual railway freight rates for the said lead distance for calculating the equivalent railway freight subsidy of fertilizers.
- (vi) Movement Division of the Department of Fertilisers will certify the above information provided under point (v) by the fertilizer companies regarding railway freight charges. Movement Division will certify actual railway freight rates on the basis of notified freight rates as available in the public domain vide various notifications of Indian Railways. Movement Division will certify the lead distances using Freight Operations Information System (FOIS).
- (vii) Fertilizer Subsidy division would pay the lesser of actual freight subsidy through multi-modal transportation as given in point (iv) above or the equivalent railway charges as given in point (v) above and as certified by Movement division as per point (vi) above.

3. The claims for release of freight subsidy to the companies, pending with the Department or being submitted by the companies against the movement of fertilizers done in pursuance of this Department's OM of even number dated 13.10.2016 and 29.03.2017 will also be examined/considered as per the above guidelines.

4. This issues with the concurrence of IFD vide diary No 3/F dated 27.05.2019 and approval of the Competent Authority.



(Vinay Kumar Pandey)
Director
Tel: 23389839

To,

1. Secretary, D/o Shipping, Transport Bhawan, New Delhi.
2. Joint Secretary (INM), DAC, Krishi Bhawan, New Delhi.
3. Joint Secretary (PF-II), DoE, North Block, New Delhi.
4. ED, FICC, DoF, Shastri Bhawan, New Delhi.
5. Chief Controller of Accounts, DoF, Janpath Bhawan, New Delhi.
6. Director (Fert), DoF, Shastri Bhawan, New Delhi.
7. Director (A/c), DoF, Udyog Bhawan, New Delhi.
8. Director General, FAI, New Delhi.
9. All the manufacturers & Importers of P&K Fertilisers.
10. Technical Director, NIC, DoF, Shastri Bhawan, New Delhi.

Copy to: -

1. Chief Secretary/ All agriculture Production Commissioner/ Secretary (Agriculture) of all the state Governments/UTs.
2. Commissioner/Director, Commissionerate/Directorate of Agriculture of all the State Government/UTs.

Copy also to: -

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uploading on the Department's web site.