

No. 23011/10/2016-MPR

Government of India

Department of Fertilisers

Shastri Bhawan, New Delhi

Dated: 18th September, 2019

OFFICE MEMORANDUM

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

In continuation of this Department's OM of even No. dated 17.06.2019 on the above cited subject, following clarification are being issued in respect of secondary freight subsidy on distribution of subsidized fertilizers through Coastal Shipping or/and inland waterways:

(i) If a manufacturer is moving the fertilisers through multi-modal transportation, which includes coastal shipping/ inland waterways, and the manufacturer decides to move the fertiliser from the discharge port directly to the destination district by road, then the entire multi-modal freight would be considered as primary movement and freight subsidy would be restricted to the railway charges or the actual freight incurred whichever is less as given in Order No. 23011/10/2016-MPR dated 17th June, 2019. In such cases, there is no scope of secondary movement and hence, no scope of secondary freight subsidy payment.

(ii) In case, the fertilizer company chooses to transport fertilizers from unloading port to the nearest rake point in destination district by railway and then transports fertilizers further by road, the entire multi-modal transport up to the railway rake point would be treated as primary movement and road movement beyond rake point would be treated as secondary movement. The restriction on freight subsidy for secondary transport of Urea would remain as per extant policies and freight subsidy for secondary movement for P&K fertilizers would continue to be inadmissible as per extant policies in this regard.

2. This issues with the approval of Hon'ble Minister (C&F).



Geeta Mishra

Under Secretary to the Govt of India

Ph: 23386151

To,

1. Secretary, D/o Shipping, Transport Bhawan, New Delhi.
2. Joint Secretary (INM), DAC, KrishiBhawan, New Delhi.
3. Joint Secretary (PF-II), DoE, North Block, New Delhi.

4. ED, FICC, DoF, ShastriBhawan, New Delhi.
5. Chief Controller of Accounts, DoF, JanpathBhawan, New Delhi.
6. Director (Fert), DoF, ShastriBhawan, New Delhi.
7. Director (A/c), DoF, UdyogBhawan, New Delhi.
8. Director General, FAI, New Delhi.
9. All the manufacturers & Importers of P&K Fertilisers.
10. Technical Director, NIC, DoF, ShastriBhawan, 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: -

PS to Minister (C&F)/ PS to MoS(C&F)/Sr. PPS to Secretary (F)/PPS to AS & FA/ PPS to AS (DP)/JS (PS)/JS (GS)/EA/ AD-OL for Hindi version/ SO(IT) for uploading on the Department's web site.