

-178-

No. 12-01/2010-Ship.  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

New Delhi, dated the 5<sup>th</sup> July, 2013

ORDER

In continuation to this Department's notifications no.12018/11/2007-FPP dated 25<sup>th</sup> June, 2010, Government of India has further decided for adopting the movement of subsidized fertilizers through Coastal Shipping in **break bulk vessels**, to supplement the rail and road movement on the same lines as notified for containerized fertilizer cargo movement through coastal routes. The freight expenditure of Government under the subsidy regime, for coastal shipping will be same as per the existing notification on containerized movement of fertilizers, restricted to the freight payment on the basis of rail and road freight worked out by the Fertilizer Monitoring System (FMS). Standard Operating Procedure (SOP) for movement of subsidized fertilizers through Coastal Shipping in **break bulk vessels** will be as below:-

- i) Coastal shipping in break bulk vessels is confined to domestic carriage of goods through coastal routes in Indian flag vessels.
- ii) A coastal bill of goods is filed for filing at the load port with the certification of Customs/Excise or port authorities after necessary inspection carried out by them;
- iii) A receipt of having received goods(fertilizers) in its custody will be issued by the port custodian to fertilizer manufacturer or its appointed representative;
- iv) The quantity of cargo(weight and number of bags) loaded in the Indian vessel is counted and noted (Tally sheet) for cross verification and joint tally sheet should be drawn;
- v) Independent tally on behalf of the carrier should be conducted for verification with official tally;
- vi) Loading operations will be only at a port notified by the central or state Government and under jurisdiction of customs/central excise. Deck watch should be enhanced during cargo operations ;
- vii) Means of all accesses to the cargo hold would be sealed with a "one time use" sealing method;
- viii) Coastal bill of goods filed at load port will be verified by Customs/Central Excise/the port authorities at discharge port before allowing to clear cargo out of port;
- ix) Quantity of cargo (weight and number of bags) discharge should be tallied with the quantity mentioned in the bill of coastal goods filed at load port;
- x) Quantity of cargo that reached warehouses at final destination should tally with the quantity of cargo that is unloaded at the discharge port;
- xi) In case berth/ports use are notified for exclusive use of coastal goods or for captive use, the recognized notified administration overseeing the berth/port will be treated as the competent authority; &
- xii) Adequate safeguard to be maintained in cargo segregation.

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2. The coastal freight for fertilizer movement through break bulk vessels will be worked out as follows:-

- i) For every movement of fertilizers through coastal shipping route from plant/port to finally in a district in any part of the country, a notional freight based on rail/road movement of fertilizers from plant/port to the destination district will be worked out in the FMS.
- ii) The notional freight would be based on rail freight for movement of fertilizers from plant/port to the nearest railway rake point to the final destination. The road freight wherever applicable as per policy would be worked out on the basis of the normative lead applicable for final destination as per the per kilometer rate applicable for the same. The actual freight payment will be restricted to the rail/road freight upto the destination or actual freight incurred whichever is less.
- iii) The notional rate should be computed automatically on FMS based on the final movement of fertilizers shown by the fertilizer companies on the FMS. For this purpose, the companies would provide the actual transportation cost details for the multi-modal transportation at various stages on FMS.
- iv) Movement of fertilizer by coastal shipping would be strictly as per supply plan agreed by DOF and will be part of overall supply plan of month for a particular state, without +10% variation.

3. The FMS system to be modified to accommodate above changes. This order will be applicable with effect from date of issue.

This, issues with the approval of Competent Authority.



(TAPAN DUTTA)  
DEPUTY COMMISSIONER (PO&P)

To:-

Sr. PPS to Secretary (F), PS to AS &FA, PA to JS (SC), PPS to JS (SLG), PS to JS (SCG), PPS to Economic Advisor & PS to ED (FICC).

Copy to:-

1. Chief Secretaries of all States;
2. The Principle Secretaries (Agriculture)/APC/Secretary (Agri.) in the State;
3. Commissioner/Director (Agriculture) in the State Government/Union Territories;
4. All Manufacturers/Importers of Fertilizers;
5. Director General, Fertilizer Association of India (FAI);
6. Director (Fertilizer Accounts), DOF
7. NIC Centre, DOF; and
8. M/s Lateral Praxis, Mumbai.

Copy also to: -

Dir. (Fert.); Dir. (PSU); Dir. (E&S); Jt. Dir. (Movement); DS (Finance), DS (PPF); DS (A&V).