

G.M (Coordination)

No. III-70/ FICC/F&A/2003-04
Government of India
Fertilizer Industry Coordination Committee
Department of Fertilizers
8th floor, Sewa Bhawan, R.K. Puram
New Delhi. 110066

9th May, 2003

To,

All Urea Manufacturers
(as per list attached)

Subject: Revised procedure for submission of bills for payments/recoveries
in respect of urea under new Pricing Policy for urea units.

Sir,

Consequent upon the issue of Govt. of India, Ministry of Chemicals and Fertilisers (Deptt. of Fertilizers)'s letter No. 12019/5/98-FPP dated 30th January, 2003 on formulation of a new Pricing Policy for urea units, it has become necessary to revise the existing procedure for payment/recoveries under Retention Price Scheme and to modify the same under the new scheme.

2 It has been decided that, in modification of Govt. of India, Ministry of Chemicals & Fertilisers' letter No. 4(27)/80-FDA.I dated 29th September, 1980, No. 4(20)/84-FDA-I dated 6.5.1985, No. 12019/12/98-FPP-II dated 26th October, 1998, No. 12012/21/99-FPP-II dated 24.7.2002 and No. 12012/21/99-FPP-II dated 3.9.2002, the following procedure will now govern the payments to be made to the manufacturers or credits to be afforded by the later to the Government of India w.e.f. 1st April, 2003 under the new scheme:-

- i) The reimbursement of the difference between the rate of concession under the new scheme as notified by the Government from time to time and the net realization (notified sale price of urea minus the dealers' margin) as notified by the Government for both the urea allocated under Essential Commodities Act (ECA) and non-ECA shall be payable to the urea manufacturers on the quantities of urea moved out of the factory for sale for agricultural purposes w.e.f. 1.4.2003 and onwards, on a monthly basis. The payment shall be made within a maximum period of 60 days from the date of receipt of the claim, complete in all respects.
- ii) Units whose rates of concession under the new scheme for urea (both under ECA or non-ECA) are lower than the net realization (notified sale price of urea minus the dealers' margin) w.e.f. 1.4.2003 shall have to deposit the differential amount due from them, representing the difference between the net realization and the rate of concession to the credit of the Fertilizer Industry Coordination Committee (FICC). The amounts to be credited shall be calculated on the basis of the entire quantities of urea moved out of the factory for sale in a given calendar month w.e.f. 1.4.2003. The amount shall be paid within a period of 45 days from the date of notification in question by a crossed cheque or demand draft payable at New Delhi in favour of Pay and Accounts Officer, Deptt. Of Fertilisers. Delayed credits shall attract interest @ 3% p.a. above the State Bank of India's (SBI) Prime Lending Rate (PLR). As and when the SBI lowers or raises the PLR by one per cent or more, the office of FICC would check the

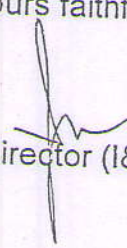
prevailing rates on 1st April and 1st October every year coinciding with the Kharif and Rabi season and take appropriate action to revise the rates accordingly.

- iii) The manufacturers of urea entitled to claim reimbursement, shall submit their bills, in duplicate in the proforma at **Annexure I**, complete in all respects. The manufacturers who are required to afford credit, shall submit their bills, in duplicate, in the proforma at **Annexure V**.
- iv) The monthly details shall be further supplemented by annual certificates from the Statutory Auditors to be sent to the FICC with the bill for the month of March each year in the Proforma at **Annexure III**, in the case of units claiming payment and in the Proforma at **Annexure VII**, in the case of units affording credit, authenticating total production, dispatches and closing balance etc. of urea under ECA or non-ECA separately during the year ending 31st March. Since manufacturers are facing difficulties in obtaining the Annual Annexure immediately after March every year and verification from Statutory Auditors which will be completed by June of every year, hence, it has been decided that these certificates, in duplicate, shall be submitted along with the June claims positively. The claims for June onwards shall not be entertained for payment if annual **Annexure III** or **VII** are not submitted with June claims.
- v) The monthly claims shall be supported by the details, in duplicate, in the Proforma at **Annexure II**, in the case of urea units claiming payments and in the proforma at **Annexure VI**, in the case of units affording credits.

- vi) The monthly bills both for payments/recoveries and statement at Annexure II/Annexure VI shall be signed by an officer not below the rank of General Manager or the Finance Director. The specimen signatures of the persons authorized to sign the bills etc. would accordingly be required to be sent to the FICC either before the submission of the bills or along with the first bill as per the procedure already followed in this regard.
- vii) The bills shall continue to be forwarded to the Executive Director, FICC, 8th floor, Sewa Bhawan, R.K. Puram, New Delhi. 110066.
- viii) A detailed check of the payments/recoveries made under the new Scheme and that of all the records maintained by the fertilizer units in respect of production/dispatches and closing balances for each product together with their supporting documents and such other records as may be required by the inspection parties, would be exercised by inspection parties to be deputed for the purpose from the FICC or any other authority under the Government, at periodic intervals. In this connection, the following records, which are at present being maintained by the fertilizer units, shall continue to be maintained and kept ready for checking by the inspection parties:-
- a) Daily stock register in form RG-I showing for each day, the opening balance, production, quantity dispatched under ECA & Non-ECA separately and closing balance, separately for good, sub-standard and sweepings of urea. Each entry in the RG-I shall be attested by the authorized officer of the unit.

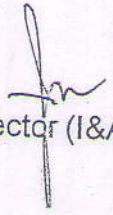
- b) Daily reports of production and stock separately for good, substandard and sweepings of urea duly authenticated by Manager (Production).
 - c) Despatch/stock transfer advices serially numbered and signed by Manager (Sales).
 - d) Despatch instructions issued from Headquarters or other controlling agency.
 - e) Gate Passes, bearing printed serial number, time of dispatch etc. shall be issued separately for urea under ECA and Non-ECA.
 - f) In the same manner, the Register of Gate Passes showing number and date of issued gate passes and quantities moved out of the factory (i.e. the daily recapitulation statement) should also be maintained separately for urea under ECA and Non-ECA.
 - g) Register of dispatches giving full particulars of gate pass number, date, dispatch/stock transfer advice and number and date of the letter containing dispatch instructions, against each entry in the register.
3. The proforma for claiming Sales Tax on inputs used for manufacturing urea under the new scheme will be circulated in due course.
4. The above procedure is subject to review from time to time.
5. This issues with the concurrence of the Finance Division (Ministry of Chemicals & Fertilizers) vide their U.O. No. 836/FA/03 dated 24.4.2003.

Yours faithfully,


Director (I&A)

Copy forwarded to:-

1. Accountant General, Commerce, Works & Miscellaneous, Indraprastha Estate, New Delhi.
2. The Director (Fertilisers), Shastri Bhawan, New Delhi (with 10 spare copies).
3. Controller of Accounts, Deptt. Of Chemicals & Fertilizers, New Delhi.
4. Pay and Accounts Officer, Ministry of Chemicals & Fertilizers, New Delhi.
5. Executive Director, Fertilizer Association of India, 10, Shaheed Jit Singh Marg, New Delhi - 110067.
6. Deptt. Of Agriculture & Coop. (Shri Satish Chander, Joint Secretary), Krishi Bhawan, New Delhi.
7. Director of Accounts, Fertilizer Accounts Wing, Udyog Bhawan, New Delhi.
8. Executive Director, Fertilizer Industry Coordination Committee, 8th Floor, Sewa Bhawan, R.K. Puram, New Delhi.
9. Finance Division, Department of Fertiliser, Shastri Bhawan, New Delhi.


Director (I&A)

factory) supplied for demonstrational/promotional purposes by way of demonstrational/free samples and includes the quantity of fertilizers, if any, purchased from the dealers for this purpose or the cost of which has been reimbursed to the concerned departments/farmers who have initially borne the cost, on their behalf.

3. Certified that a quantity of _____ MTs shown in column 5 of Annexure-II has been actually received back in the factory for re-processing.

4. Certified that the conditions prescribed in the Office of the Fertiliser Industry Coordination Committee, Ministry of Chemical and Fertilizer, Department of Fertilizers letter no. _____ dated _____ have been fulfilled.

5. Certified that the quantity sold in bulk at factory gate during the month was _____ MTs.

Certified that movement, distribution / sales of fertilizer for the quantity under ECA has taken place strictly in accordance with the ECA Allocation. Sales during the month are as under:

Name of the State / Union Territory

Quantity of Urea under ECA sold in the month (MTs)

Total

Received Rs. _____ (Rupees _____ only).

Revenue Stamp

Signature of the Claimant with name,
Date, designation and stamp.

Signature of the Claimant with name,
Date, designation and stamp.

Please pay by crediting Cash Credit A/c No. _____
with State Bank of Patiala, Shastri Bhawan, New Delhi.

Signature of the Claimant with name,
Date, designation and stamp.

The Executive Director
Fertiliser Industry Coordination Committee
Department of Fertiliser
8th Floor, Sewa Bhawan,
R.K. Puram, New Delhi - 110 066.

Proforma for claiming payment under the New Fertiliser Subsidy Policy
(To be submitted in duplicate)

Annexure - I

Bill No. :
Date :
Month to which
Bill relates :

Authority : Office of the Fertiliser Industry Coordination Committee
Government of India, M/o Chemicals & Fert.
Deptt. of Fertilisers letter No. _____ dated _____

1. Name of the Claimant with full address and Group :
2. Licence No./Registration No. and
Licencing Registering Authority : _____ MTs
3. Re-assessed Annual Capacity : _____
4. Details of the Claim : _____

Sl. No.	Name of the product	Net Quantity (carried over from col.12 of Annexure II) (Mt)	Rate of Concession fixed for the product (Rs./Mt)	Net realization fixed for the product (Rs./Mt)	Difference between Rate of Concession and Net realization (Col.4-5) (Rs./Mt)	Total Amount Claimed (col.3X6) (Rs.)
1	2	3	4	5	6	7
	Indigenous Urea					
	a. Under ECA					
	b. Under Non-ECA					

Total (Rounded off to the nearest rupee) in figures and words Rs. _____ (Rupees _____) only.

1. Certified that the quantity of urea (both under ECA and Non-ECA) shown in column 12 of Annexure-II on which subsidy is being claimed is on net weight basis and does not include the weight of bags etc. It is further, certified that this quantity of fertilizers has been or will be sold on net weight basis and conclusively for agricultural use and not for industrial or any other use.
2. Certified that the quantity of _____ MTs shown in column 9 of Annexure-II, represents the entire quantity of fertilizers actually despatched during the month of _____ (irrespective of its month of movement out of the

Name of the Unit
Month

Signature with name, date, designation and stamp

Annual Annexure-III
(For Payment Claim)

... etc. in respect of indigenous urea (under ECA and Non-ECA) for the year ending

(*) Sweepings, if any, should be shown in the remarks column.

1. Certified that the quantity shown in Col. 12 of Annexure-III on which subsidy has been claimed was on net weight basis and did not include the weight of bags etc. It is further certified that this quantity of fertilizer has been or will be sold on net weight basis and on the basis of the fact that this quantity was supplied through wholesalers / dealers who are licensed to sell fertilizers for agricultural use only or through our own outlets, this quantity of fertilizers has been or will be sold exclusively for agricultural use and not for industrial or any other use.
Certified that the quantity of _____ MTs shown in Col. 9 of Annexure-III represents the entire quantity of fertilizers actually used / supplied for demonstration/promotional purposes by way of free demonstration/free samples and includes the quantity of fertilizers, if any, purchased from the dealers for this purpose or the cost of which has been reimbursed to the concerned Departments/farmers who have initially borne the cost, on their behalf.
Certified that a quantity of _____ MTs shown in Col. 5 of Annexure-III was actually received back in the factory for reprocessing.
2. Certified that _____ MTs of fertilizers, on which subsidy had already been claimed, was subsequently received back in transit/ storage. This quantity also includes:-
 - (a) _____ MTs lost in transit for which recoveries have been made / are being made from transporters/Railways.
 - (b) _____ MTs dispatched under clear R.Rs at owner's risk reported to have been received short or lost in transit.
 - (c) _____ MTs lost in transit, out of quantity sold to Institutional Agencies / State Governments / Agro Industries Development Corporations on which higher distribution margin has been claimed / will be claimed.
3. Certified that _____ MTs reported to have been received short in intact bags.
 - (d) _____ MTs of fertilizer on which subsidy had already been claimed got damaged / became non-standard in the Warehouse / godowns in transit etc. out of which _____ MTs has been received back in the factory for reprocessing and included in the Co. 5. The balance otherwise disposed is _____ MTs.
4. Certified that the conditions prescribed in the Office of the Fertiliser Industry Coordination Committee, Ministry of Chemicals and Fertilisers, Department of Fertilizers letter no. _____ dated _____ have been fulfilled.
5. _____
6. _____

Signature of the Claimant with name,
Date, designation and stamp.

Certificate of Statutory Auditors

We have checked the above statement for the period showing the quantity of opening stock / production, quantity moved out of the factory (under ECA and Non-ECA), closing stock etc. and the certificates given above with the relevant books and records maintained by them for this purpose and have found it in agreement therewith.

prepared by M/s _____

the factory (under ECA and Non-ECA), closing
records maintained by them for this purpose and have

Signature of the Statutory Auditor with Name,
C.L.

Proforma for claiming payment of Freight Subsidy on Urea
(To be submitted in duplicate)

Annexure - IV

Authority :

Office of the Fertiliser Industry Coordination Committee
Government of India, M/o Chemicals & Fert. Deptt. of Fertilisers letter No.

Bill No. :
Date :
Month to which
Bill relates :

1. Name of the Claimant with full address :
2. Details of the Claim :

Sl. No.	Name of the product	Net Quantity (carried over from Col. 3 of Annexure I) (Mt)	Reference Bill No. and date of Group Concession Scheme claim	Rate of Equated Freight	Total Amount Claimed (col. 3X5) (Rs.)	Remarks
1	2	3	4	5	6	7
	Indigenous Urea					
	a. Under ECA					
	b. Under Non-ECA			As notified:		
				As notified - Rs. 100 = Rs.		

Total (Rounded off to the nearest rupee) in figures and words Rs. _____ (Rupees _____ only).
Certified that the payment has been claimed on the same quantity during the month in respect of which the payment has been claimed under the New Pricing Policy for Urea Units.

Received Rs. _____ (Rupees _____ only).

Revenue Stamp

Signature of the Claimant with name,
Date, designation and stamp.

Signature of the Claimant with name,
Date, designation and stamp.

The Executive Director
Fertiliser Industry Coordination Committee
Department of Fertiliser
8th Floor, Sewa Bhawan,
R.K. Puram, New Delhi - 110 066.

Please pay by crediting Cash Credit A/c No. _____
with State Bank of Patiala, Shastri Bhawan, New Delhi.
Signature of the Claimant with name,
Date, designation and stamp

Forma for the Credits under the New Pricing Policy
(To be submitted in duplicate)

Annexure - V

Bill No. :
Date :
Month to which
Bill relates :

Authority : Office of the Fertiliser Industry Coordination Committee
Government of India, M/o Chemicals & Fert.
Deptt. of Fertilisers letter No. _____ dated _____

1. Name of the Paying Company with full address and Group :
2. Licence No./Registration No. and
Licencing Registering Authority
3. Re-assessed Annual Capacity
4. Details of the Credits : : : : : _____ MTs

Sl. No.	Name of the product	Quantity moved out of the factory (carried over from col.7 of Annexure VI)	Rate of Concession fixed for the product (Rs./Mt)	Net realization fixed for the product (Rs./Mt)	Difference between Rate of Concession and Net realization (Col.4-5) (Rs./Mt)	Amount Payable (col.3X6)	Remarks
1	2	(Mt)	4	5	6	(Rs.)	8
	Indigenous Urea	3				7	
	a. Under ECA						
	b. Under Non-ECA						
Total (Rounded off to the nearest rupee) in figures and words Rs. _____ (Rupees _____) only.							

1. Certified that the quantity of urea (both under ECA and Non-ECA) shown in column 9 of Annexure-VI on which subsidy is being paid is on net weight basis and does not include the weight of bags etc. It is further, certified that this quantity of fertilizers has been or will be sold on net weight basis and conclusively for agricultural use and not for industrial or any other use.
2. Certified that the quantity of _____ MTs shown in column 9 of Annexure-II, represents the entire quantity of fertilizers actually despatched during the month of _____ (irrespective of its month of movement out of the factory) supplied for demonstrational/promotional purposes by way of free demonstrational/free samples and includes the

quantity of fertilizers, if any, purchased from the dealers for this purpose or the cost of which has been reimbursed to the concerned departments/farmers who have initially borne the cost, on their behalf.

3. Certified that a quantity of _____ MTs shown in column 5 of Annexure-II has been actually received back in the factory for re-processing.
4. Certified that the conditions prescribed in the Office of the Fertiliser Industry Coordination Committee, Ministry of Chemical and Fertilizer, Department of Fertilizers letter no. _____ dated _____ have been fulfilled.
5. Certified that the quantity sold in bulk at factory gate during the month was _____ MTs.

Certified that movement, distribution / sales of fertilizer for the quantity under ECA has taken place strictly in accordance with the ECA Allocation. Sales during the month are as under:

Name of the State / Union Territory _____

Quantity of Urea under ECA sold in the month (MTs)

Paid Rs. _____ (Rupees _____)	Total _____
_____	_____ only).

Signature of the Claimant with name,
Date, designation and stamp.

Signature of the Claimant with name,
Date, designation and stamp.

The Executive Director.
Fertiliser Industry Coordination Committee
Department of Fertiliser
8th Floor, Sewa Bhawan,
R.K. Puram, New Delhi - 110 066.

Annexure – VI
(Enclosure to Credit claim)

Name of the Unit :
Month :

(Figures in Mts)

Sl No.	Name of the product	Opening balance	Qty. manufactured during the month	Qty. received back in the factory for reprocessing	Total of col.3,4 & 5	Total Qty. moved out of the factory	Closing balance (col.6-7)	Qty. on which credit to be afforded (col.7-5)	Cumulative production for the year	REMARKS
1	2	3	4	5	6	7	8	9	10	11
						Under ECA: Under Non-ECA:		Under ECA: Under Non-ECA:		
						Total -----		Total -----		

Signature with name, date, designation and stamp