

D(FS)/2020/FREIGHT SUBSIDY
GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

Room No. 473-A, Udyog Bhawan
New Delhi 110001

Email: dirfa-fert@nic.in,

Dated: 3rd February, 2022

To

All Commissioners/Pr. Secretaries/Directors (Agriculture)
All Fertilizer Companies

Subject: Modification in the procedure for submission of Freight claims to Department of Fertilizers with the introduction of online Freight Module in iFMS- reg.

Sir/Madam,

I am directed to convey the approval of the Government for modification in the procedure for submission of Freight claims to Department of Fertilizers with the introduction of online Freight Module in iFMS from the month of Nov-2021 onwards for various fertilizers in the following manner: -

1. The fertilizers covered under this system are: (i) Indigenous Phosphatic and Potassic (P&K) fertilizers (except SSP), (ii) Imported Phosphatic and Potassic (P&K) fertilizers and (iii) Indigenous urea. At present, the modified procedure for online Freight Module is made live for Indigenous P&K fertilizers (except SSP). After successful implementation of the above procedure, the same will be made live for Imported P&K fertilizers and Indigenous urea.
2. The proposed procedure for submission and payment of freight subsidy is as follows:
 - a) After receipt of fertilizers in a particular district/ State, the fertilizer company will submit an online freight bill (only one consolidated freight bill for all the products of a scheme) through iFMS on monthly basis. The online freight bill is required to be digitally signed by the Authorized Signatory and verified & certified by the Statutory Auditor of the company. The existing Payment Procedure and the revised Payment Procedure under new system is given at Annexure-I
 - b) Movement Plan, Freight Rates and Master of Lead Distances (both primary and secondary) and maximum lead allowed, shall be entered and regulated by Movement Division of DoF in iFMS.

- c) After receipt of online freight bill from the fertilizer companies, Programme Division will scrutinize the same and if found in order, approval of the Head of Programme Division and financial concurrence of IFD, will be obtained online through iFMS for each bill separately.
- d) On getting financial concurrence, the digital financial sanction will be issued by DDO and the bill will be submitted to PAO through Public Financial Management System (PFMS).
- e) PAO will process the bill through PFMS and credit the amount to the company's bank account. The freight subsidy shall be reimbursed to the fertilizer companies subject to availability of funds.
- f) State certification for Quantity and Quality (Proforma B-1 and B-2):- In case, any short quantity and/ or sub-standard quantity is reported by the State Govts vide Proforma B-1 and B-2, the concerned Programme Division of DoF will make the recovery of freight subsidy along-with penal interest from the pending freight bills or any other bill of the company. The recovery of subsidy will be made from DBT bills separately.
- g) The online submission of the freight bills shall be governed by the existing guidelines/ procedure. The payment of freight subsidy of Imported Urea shall continue to be paid as per the existing procedure.

3. The issues with the approval of Competent Authority.

Yours faithfully



(Padamsing Patil)
Director (FS & DBT)

Copy to:

- I. PPS to Secretary, Department of Fertilizers,
- II. PPS to Secretary, Department of Agriculture,
- III. DG, Fertilizers Association of India,
- IV. DG, NIC,
- V. All Directors / Dy. Secretary of Department of Fertilizers and FICC,
- VI. Sr. Technical Director, NIC
- VII. IT Division, DoF – with request to upload on iFMS portal

(Annexure-I)

Fertilizer Type	Existing Procedure		Revised Procedure	
	Freight Payment	Certificate Required	Freight Payment	Certificate/ Documents Required
a) Indigenous P&K (excluding SSP)	100% payment on receipt of physical bill (product-wise) based on the net receipt quantity in districts/ state in a month	Certification from company's Statutory Auditor on receipt of fertilizers in the district/ state	100% payment on receipt of digital signed bill based on the net receipt quantity in districts/ state in a month. Only one consolidated freight bill for all products of the scheme to be generated/ submitted online in iFMS.	- The freight bill is to be digitally signed by the company's Authorized Signatory in iFMS.
b) Imported P&K				- The freight bill is required to be digitally verified and certified by the Statutory Auditor of the company in iFMS.
c) Indigenous Urea				- RRs to be uploaded in iFMS as per the existing procedure. In case of multi product RR, the product-wise break-up of quantity and amount claimed (excluding GST) of a month, should be indicated on RR itself or attach annexure along-with RR. RR should indicate the specific name of the product clearly.



(Padamsing Patil)
Director (FS & DBT)