

F.No.19011/59/2003 –MPR
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
The 31st May, 2011

Office Memorandum

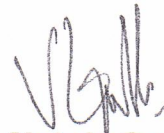
Subject : Payment of concession to Phosphatic & Potassic fertilizers (except SSP) under Fertilizer Monitoring System under Nutrient Based Subsidy Policy – Change in the procedure for settling the claims for balance payment.

The undersigned is directed to refer to this Department's letter of even number dated 12.3.2009 in respect of procedure for claiming on-account and balance payment of concession/subsidy under the concession scheme/Nutrient Based Subsidy Policy by the manufacturers/importers (except SSP) w.e.f. December 2008.

2. As per the above said procedure, the manufacturers/importers (except SSP) claim 'On Account' payment of concession of 85% (90% with Bank Guarantee) and for claiming the balance amount 15% (10% with Bank Guarantee), the claim is accepted by DOF only when the entire quantity (for which "On Account" payment has been made) has been sold. Most of the times, the supply during a month is in more than one State, therefore, balance claim can be settled only when the entire quantity is sold in all these States. When some quantity is not sold in one (or more than one) of these States, the balance claim can't be settled for all these States. FAI has suggested that balance claim should be settled for that quantity with respect to those States where it is fully sold.

3. The matter has been examined and it is hereby decided that balance claim can be lodged in maximum two stages (instead of one at present), so that a company can claim balance payment for the quantity, which has been fully sold in the States and balance payment for rest of the States can be claimed when quantity supplied would be sold in these balance States. By this, the case for settlement of balance payment will be dealt by the payment office twice instead of one (at present). This will ease the cash liquidity of the fertilizer companies.

4. This issues with the approval of the competent authority.



(Varinder Gupta)

Under Secretary to the Government of India
Tel. & FAX No. 23388536

Director (FA),
Department of Fertilizers,
Udyog Bhawan, New Delhi

Copy for information to :

1. Director (Agriculture) of All State/UT Governments
2. CA/P&AO
3. Director (Finance)/AFA/Section Officer (Finance)
4. Sr. AD(Concession Wing)/ AD(Concession Wing)/AD(FA Wing)/AAO in FA Wing and Concession Wing.
5. All manufacturers/importers of Phosphatic & Potassic fertilizers
6. Fertilizer Association of India, 10 Shaheed Jit Singh Marg, New Delhi.
7. NIC for uploading on Department's website (fert.nic.in)
8. AD(OL)