

F No 12014/4/2009-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 31st August, 2017

To

CMD/MDs,

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/CFCL/
TATA/ZACL/GIL (Unit-IGF)/SPIC/KFL/MCFL/KFCL

Subject: Recovery of incidence of non-reimbursable input taxation levied by State Governments from time to time in the subsidy regime.

Sir,

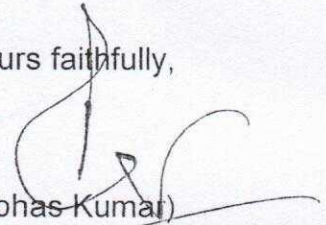
I am directed to refer to Department of Fertilizers' letters of even number dated 29th March, 2011 and 18th May, 2017 on the subject mentioned above and to say that the Government of Gujarat had levied Additional VAT on input which was recovered by the fertilizer manufacturers from the farmers for sale of urea over and above MRP. The additional levy recovered over and above MRP of urea was Rs. 420/- per MT for the state of Gujarat for the year 2017-18.

2. However, vide Gujarat Government Gazette notification (Gujarat Act No. 26 of 2017) dated 09th June, 2017, an amendment in Gujarat Value Added Tax Act, 2003 has been made whereby the Additional VAT has been withdrawn w.e.f. 01st July, 2017 by the Government of Gujarat. Consequently, all the urea manufacturers in Gujarat are not required to pay any Additional VAT on input in Gujarat w.e.f. 01st July, 2017.

3. In view of the above, the urea manufacturers/traders/importers are advised not to recover additional cost due to additional VAT on inputs, over and above MRP of urea from farmers in the State of Gujarat as notified by this Department from time to time.

4. This is made effective from the date of the notification.

Yours faithfully,


(Prabhas Kumar)
Director (F)

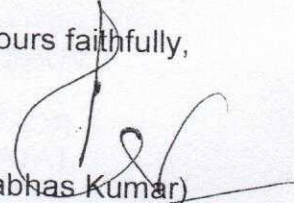
Tele: 23386398

Copy to:

1. The Executive Director, Fertilizer Industry Coordination Committee, 8th Floor, Sewa Bhawan, R.K. Puram, New Delhi.
2. Chief Secretary, Government of Gujarat.
3. Director General, Fertilizer Association of India, 10, Shaheed Jit Singh Marg, New Delhi-110 067.

4. AS&FA/Director (FA)/Director (PSU)/Director (Finance), DoF.
5. Director (CE)/Director (F&A), FICC.
6. Controller of Accounts, DoF, Janpath, New Delhi.
7. Director (NIC)-for website of DoF.

Yours faithfully,


(Prabhas Kumar)

Director (F)

Tele: 23386398