

# **The Special Procedure for Adjustment of Sales Tax due on Fertilizers Rules, 2015**

\*\*\*\*\*

**adapted and enforced  
in  
Azad Jammu and Kashmir  
by  
AJK Finance Act, 2016& subsequent Finance Acts  
of  
AJK Legislative Assembly**

**Compiled by  
SABIR HUSSAIN BALOCH  
(August-2020)**

**THE SPECIAL PROCEDURE  
FOR ADJUSTMENT OF SALES TAX DUE ON FERTILIZERS RULES, 2015  
NOTIFICATION  
(SALES TAX)**

**S.R.O. 1198(I)/2015, dated 03.12.2015.**-- In exercise of the powers conferred by section 71 of the Sales Tax Act, 1990, read with sub-section (4) of section 7 thereof, the Federal Government is pleased to make the following rules, namely:--

**1. Short title and commencement.**-- (1) These rules may be called the Special Procedure for Adjustment of Sales Tax due on Fertilizers Rules, 2015.

(2) They shall come into force at once.

**2. Adjustment of subsidy against sales tax due.**-- (1) The subsidy as determined under the Ministry of National Food Security and Research's Notification No.F.1-11/2012/DFSC-II/Fertilizer, dated the 20th November, 2015, and as credited into sales tax head, shall be allowed to be adjusted by the manufacturers and importers of the fertilizers specified in the said Notification, hereinafter referred to as the specified fertilizers, in the manner as provided under these rules.

(2) The manufacturer or importer making supplies of the specified fertilizers shall not reduce taxable value or price for the purpose of assessment of sales tax or the sales tax amount on account of subsidy.

**3. Processing of claims for adjustment.**-- (1) The Fertilizers Cell established by the Federal Board of Revenue shall process adjustment claims under these rules.

(2) The manufacturers and importers of specified fertilizers shall provide invoice-wise details of the subsidized fertilizer sold, specifying name of buyer, NTN/CNIC, description, quantity of goods sold and other relevant information on advance manual copy of the sales tax return.

(3) The manufacturers or importers of the specified fertilizers shall submit details of the specified fertilizers supplied during the tax period in the format provided in Annex-A to these rules along with necessary reconciliation to the Fertilizer Cell along with copies of sales tax invoices in respect of the specified fertilizers.

(4) The Fertilizer Cell shall provide a dated acknowledgement of the adjustment claim.

(5) The reconciliation and examination of the adjustment claim with the monthly return shall be completed by the Fertilizer Cell within seven working days of submission of Annex-A. The Fertilizer Cell shall determine the amount to be adjusted against sales tax due and also the balance amount payable by the State Bank of Pakistan with the assistance of the representative of Ministry of National Food Security and Research and National Fertilizer Development

Centre, Islamabad and forward its report on Annex-A to the Ministry of National Food Security and Research, Islamabad.

(6) Based on the aforesaid report, adjustment of the amount as recommended shall be claimed by the manufacturer or importer, as the case may be, in the monthly sales tax and federal excise return.

**ANNEX-A**

[See rules 3(3) and (5)]

**DETAIL OF SUBSIDIZED FERTILIZER SUPPLIED BY THE MANUFACTURERS OR  
COMMERCIAL IMPORTERS**

Name of the Registered Person \_\_\_\_\_

NTN of the Registered Person \_\_\_\_\_

Summary of subsidized fertilizers supplied:

- (a) Bagged DAP supplied and subsidy claimed \_\_\_\_\_
- (b) Bagged Nitrophos supplied and subsidy claimed \_\_\_\_\_
- (c) Bagged NPK Fertilizer supplied and subsidy claimed \_\_\_\_\_
- (d) Bagged SSP fertilizer \_\_\_\_\_
- (e) Any other relevant details \_\_\_\_\_

Invoice-wise Details:

S. No.	Sales tax invoice No. and date	Quantity sold	Value (exclusive of sales tax)	Sales tax involved	Total value including sales tax	Subsidy amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total						

As per particulars given above, I hereby claim subsidy payment of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only). It is further declared that the particulars mentioned above are correct.

Name and CNIC of Authorized Representative \_\_\_\_\_

Authorized Stamp and Signature

**FEDERAL BOARD OF REVENUE**

Examination by Fertilizer Cell

The claim as aforesaid has been reconciled with the monthly Sales Tax and Federal Excise return for the tax period \_\_\_\_\_ and the subsidy claim amounting to Rs. \_\_\_\_\_ is found in order as per breakup below:--

(a)	Amount recommended for adjustment in return	Rs.
(b)	Amount recommended for payment by State Bank of Pakistan	Rs.
(c)	Amount not found admissible for subsidy (Details attached)	Rs.

Name, Designation and Stamp of secretary, FBR

\* \* \* \* \*