

GOVERNMENT OF ANDHRA PRADESH
COMMISSIONERATE OF INDUSTRIES: HYDERABAD.

Circular Memo No.11-1-5-00060006/fd, Dated :27-06-2011.

Sub: Allotment of Raw materials to industrial units - streamlining the procedure for allotment -certain guidelines – Reg.

Ref: 1) This office circular No 11-1-5-0006 date 21-06-2008.

2) Minutes of the meeting with the officers of APPCB, Boiler Department, M/s SCCL Ltd., and members of the BDMA, A.P.

The attention of all the General Managers, District Industries Centers in the State is invited to the reference 1st cited, where in certain instructions / guidelines were issued for allotment of raw materials. In order to streamline the procedure for allotment of raw materials to the industrial units, a meetings was convened on 20-01-2011 and 1-4-2011 with the officials of APPCB, Boiler Department, M/s SCC Ltd and Members of the Bulk Drug Manufacturers Association (BDMA), Andhra Pradesh. In the meeting after delebrations certain decisions were taken vide reference 2nd cited for streamlining the procedure for allotment of scarce raw materials. Accordingly, the following revised guidelines / instructions are issued for processing and recommending the applications for allotment of raw materials to industrial units.

Whenever a unit is recommended for allotment of raw materials, it is the primary responsibility of the concerned General Manager, DIC to verify whether the unit is a genuine working unit having genuine consumption of the raw materials like Coal, Alcohol.. etc., while recommending for allotment as per the guidelines. It is also the responsibility of GM, DIC to arrive at the correct assessment of the quantity of raw materials being recommended, duly verifying the requirement of raw materials per unit production as per technical norms and as per the actual consumption of the raw material (whichever less is to be considered). With this factor the requirement of raw materials can be calculated as per actual production for the latest period, boiler rating, installed capacity, capacity mentioned in CFO of APPCB whichever is less with proper justification.

The inspection report which is communicated here with already takes care of the major check points and the GM, DICs should fill-up each and every column carefully and submit the report along with necessary documents(list enclosed) with full justification of the requirement of raw materials.

Contd..2.

2) Units for fresh allotment:

(a) While recommending for allotment of raw materials to new industrial units which are ready for commencement of production or commenced production for the first time for allotment, the General Managers should ensure that the unit has valid CFO issued by APPCB, valid boiler certificate or acknowledgement for renewal with fees paid prior to the expiry of Boiler licence and drug licence and other statutory approvals as applicable before recommending to central office and shall recommend initially for allotment of alcohol on adhoc basis for a period of 3 months and coal on adhoc basis for a period of one year only.

(b) Once the adhoc allotment is made as per the guidelines stated supra raw material usage by the new unit should be reviewed every month for a period of one year. After a lapse of 6 months time from the starting of the lifting of coal quota, GMs may recommend for allotment on regular basis as per the following guidelines.

i) General Manager has to process the proposals for regular allotment in full shape (with required documents as done for adhoc allotment) as per guidelines of the Commissioner of Industries issued from time to time including enclosing the valid boiler licence, CFO from APPCB / acknowledgement for renewal obtained by the unit holder prior to the expiry of the concened licence.

ii) After applying for allotment to General Manager on regular basis the General Manager has to follow up with the unit holders to obtain production particulars on the RG-1 Register / Sales Tax records, tax paid particulars, coal receipts from M/s. SCCL and out sources, consumption of coal particulars etc., every month. Further, GM.has to verify the records and submit the utilization certificate in the prescribed proforma every month and report to the Commissioner of Industries.Further, the unit holder is to be advised to submit monthly return on production and coal utilisation to directly submit to GM, DIC and to Commsissioner of Industries wherever the coal allotment is more than 100 MTs / month.

iii) If the unit fails to submit the above information for consecutive (3) months, the GM has to address M/s. SCCL for stoppage of coal from the 4th month onwards under copy marked to the unit holder and to Commissioner of Industries and similar action will be taken at Head office level in respect of units allotted coal for more than 100 MTS/month..

iv) Whenever the details are submitted to GM. they should submit utilization report with in one month from the receipt of the details from the unit holder to the COI.

(3) Expansion Units:-

(a) While recommending for allotment of raw materials to industries which have expanded and are applying for additional coal/alcohol/other raw materials, GM should ensure the unit furnishes CFO for the expansion. Recommendation for allotment of raw materials for the expansion should be the same as done in case of fresh allotment.

(b) Once the adhoc allotment has made to the expansion units as per the guidelines at para 3(a) and recommendation for allotment is to be made on regular basis as per the guidelines at para-2(b).

(4) General Instructions:-

a) It is also decided to consider the requirement of coal for multiple/forced evaporation systems by considering it as part of production and restrict the coal assessment to the extent of boiler rating or actual consumption which ever is lower.

b) Further it is decided that in case of proposals for Alcohol allotment there is no need for joint inspection of the technical committee again for renewal of existing regular allotment of the alcohol as the requirement already assessed by the technical committee at the time of first regular allotment.

c) The General Manager, DICs in the state should mention in each inspection report whether the unit has any linkage of coal other than M/s.SCC Ltd such as CIL/importers/other indigenous agencies. The particulars of quantity of such coal and utilization and production particulars along with proofs (copies of bills/invoices) of purchases from out side sources

d) Further, the GM, DICs are also responsible to ensure that the correct factory address where raw material is to be delivered, is mentioned in the recommendation letter. So that the same can be incorporated in the way bill by M/S SCCLtd.

e) The General Managers, District Industries Centers shall also download the allotments made by the SCCL to industrial units of their districts concerned from the SCCL web site regularly and shall monitor the utilization of coal by the respective industrial units.

f) The GM, DICs shall send the utilization reports of all units once in a quarter with out fail

g) In the quarterly reports, the GM, DICs shall verify the month wise coal receipts, the consumption and verify whether the consumption is commensurate with production as per actual production and as per RG1 register/sales tax returns. This is to ensure proper utilization of coal by all units recommended by GM, DICs.

h) The General Manager, DICs shall specifically certify whether the unit utilized coal properly or not after duly verifying concerned registers/data while recommending the proposals for regular allotment along with attested copies of bills/invoices for the out side purchases of coal, husk, fire wood..etc.,

5 Standard terms & conditions:

(a) Further, a set of standard terms and conditions to be stipulated at the time of recommendation by the industries department for allotment of coal by M/s. SCCL to the industrial units so as to avoid misutilisation, is communicated herewith to all the General Managers, District Industries Centres in the state and they are instructed to strictly stipulate the above terms and conditions on the overleaf of the recommendation letters issued by them to the M/s. SCCL for allotment of coal up to 100 MTS/per month to the industrial units.

Encl:1.Application form for coal/Alcohol..
2. Inspection Proforma for coal/Alchol.
3. Check slip.

Sd/- Karikal Valaven,
Commissioner of Industries

//Attested//

Joint Director (PM& FM).

To

The all General Manager, District Industries Centres in the State.

Copy to the Joint Director (PM & FM) / Deputy Director (PM) / Asst. Director (CM) for information .

Copy to Peshi of Commissioner of Industries / Additional Director of Industries (B) for information.

Copy to SF / Spare.