

MOST IMMEDIATE

No. 192(29/2007-FC A/cs
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan, New Delhi
Dated: 8th December, 2008.

To,

- (1) The Principal Secretary,
Food & Civil Supplies Department,
Governments of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Jharkhand,
Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Tamil Nadu
Uttar Pradesh, Uttrakhand and West Bengal.
- (2) CMD, FCI, New Delhi

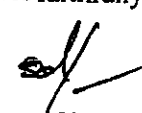
Subject: Procedure for submission of accounts, audit by auditors appointed by C&AG, by State Governments in order to finalise procurement incidentals of State Agencies and economic cost of rice, wheat and coarsegrains for the past years.

Madam/Sir,

I am directed to say that the matter regarding finalization of accounts for the procurement of rice, wheat and coarsegrains by State Governments and their agencies has been reviewed and the competent authority in the Department has expressed his displeasure over non-submission of audit accounts by many State Governments despite repeated requests made by this Department from time to time. To expedite finalization of accounts, following decisions have been taken:-

- (v) State Government will submit their accounts to this Department and simultaneously a copy of the same to concerned Regional Office of FCI.
 - (vi) Regional Office of FCI will send its comments/recommendations on the accounts submitted by State Government within two weeks to FCI Head Quarter (HQ).
 - (vii) Thereafter FCI, HQ will send its comments/recommendations in another two weeks to this Department for examination and finalization of accounts.
2. All Regional Offices of FCI and FCI, HQ are requested to ensure that the above time frame is strictly adhered to while sending their respective comments on the audited accounts submitted by various State Governments.
 3. State Governments are requested to submit their accounts/accounts of state agencies, if not submitted earlier, in respect of procurement of rice, wheat and coarsegrains without any further delay as stated above in order to save time.

Yours faithfully,


(Anurag Sharma)

Under Secretary to the Government of India

Tel: 23073798

Copy to: ED(Proc), FCI, HQ, New Delhi with a request to circulate it to all ED (Zones)/GM(Region)s for strict adherence to the above time - limit.

MOST IMMEDIATE
BY SPEED POST

No. 192(29)/2007-FC.A/Cs(Part)
Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution
Krishi Bhavan, New Delhi
Dated 16th September, 2010

To

(1) The Principal Secretary,
Food & Civil Supplies Department,
Governments of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana,
Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab,
Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal.

(2) CMD, FCI, New Delhi.

Subject:-Procedure for submission of accounts, audited by auditors appointed by C&AG by State Governments in order to finalize procurement incidentals of State Agencies and economic cost of rice, wheat and coarsegrains for the past years.

Madam/Sir,

I am directed to refer to this Department's letter of even number dt. 8.12.2008 (copy enclosed) on the above subject vide which procedure for submission of final claims by the States and time limit for sending FCI's comments thereon was fixed to avoid delay and expedite finalization of accounts. However, it has been seen that same is not being followed by the States/FCI resulting in delay in finalization of claims. Therefore, to expedite finalization of cases procedure is revised as under:

- (i) State Governments will submit their final claims alongwith all the relevant documents directly to concerned Regional Office of FCI and a copy of the same to this Department.
- (ii) A checklist (copy enclosed) has been prepared for the documents to be submitted with the claims and State Govt. have to certify whether all the documents given in the checklist are enclosed or not.
- (iii) Regional office of FCI will scrutinize the claims to see whether the requisite documents as per the checklist have been submitted by the State. Non-submission of any document will be intimated to the State within one week with copy to this Deptt.
- (iv) Regional office of FCI will send its comments/ recommendations on the claims submitted by State Govt. within 15 days from the date of receipt of complete claims to FCI HQrs.
- (v) Thereafter FCI HQrs will sent its comments/recommendations in another 15 days to this Department for examination and finalization of claims.

2. All Regional Offices of FCI and FCI HQrs should ensure that the above time frame is strictly adhered to while sending their respective comments on the claims submitted by the State Governments.

3. State Govt. are requested to submit their pending claims in respect of procurement of rice, wheat and coarsegrains without any further delay as stated above.

Encl: As above

Yours faithfully,

sd

(Anurag Sharma),

Under Secretary to the Govt. of India,
Tele No. 23073798

Copy to: ED(Proc), FCI HQ, New Delhi with a request to circulate it to all ED(Zones)/GM(Region) for strict adherence to the above procedure/time limit.

Checklist of the Documents to be enclosed with the Final Claims:

Name of the State:

S. No.	Documents	Yes	No
1.	Whether the Proposal for final rate of incidentals/economic cost for the concerned marketing season (KMS/RMS) is enclosed.		
2.	Whether Audited Accounts for the concerned season are enclosed. (For KMS for Oct-Sept apportioning expenditure incurred in two financial years).		
3.	Whether Audited accounts for all the years for which stocks were kept / distributed are enclosed. (In cases where stock is disposed off in more than one financial year).		
4.	Whether Audited Accounts for all the agencies for the concerned year(s) are enclosed, agency-wise.		
5.	Whether the Accounts are audited by the Statutory Auditors		
6.	Whether the Auditor's certificate is enclosed		
7.	Whether Annual Reports for all the State agencies including State Food Departments for the concerned year(s) are enclosed.		
8.	Whether all the above documents are enclosed in duplicate.		
9.	Whether stock flow statement, Vouchers for Transportation charges claimed and statement showing details of Mandi labour charges attached		
10.	Whether details of subsidy/amount/advance received from Govt. of India/FCI, sales realization and any other amount received/recovered during the period have been enclosed.		

Checked By:

Counter Signed by:

Guidelines for State Governments/Agencies

For

**Submission
of
Incidental claims**

September 2010

Procurement Incidentals Cell
Department of Food & Public Distribution
Ministry of Consumer Affairs, Food and Public Distribution,
Krishi Bhawan, New Delhi

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Preface

Government of India (GOI) procures food grains wheat, rice and coarse grains through Food Corporation of India (FCI) and State Agencies at Minimum Support Price (MSP). In order to maximize procurement of wheat and rice and to ensure that benefits of Minimum Support Price (MSP) reaches the farmers, the Government started the scheme of Decentralized Procurement (DCP) of food grains in the year 1997-98 under which the States undertake the responsibility of not only procuring food grains from within the State but also distributing the same to the targeted population under TPDS and other welfare schemes.

2. The Central Government undertakes to meet the entire expenditure incurred by the State Government Agencies on the procurement operations undertaken on behalf of it. In this regard for each marketing season provisional cost sheets for procurement/distribution incidentals for each State are issued. These rates are finalized on the basis of Audited Accounts/Claims of the States.

3. There are long delays in submitting the procurement incidental claims by some of the States. Some of the claims submitted are not audited or are submitted without requisite supporting documents. As per law, audited accounts of State undertakings are required to be placed before the State Assemblies within 9 month of completion of a financial year, hence State Governments should normally have no difficulty in submitting final claims alongwith audited accounts, within 1 year of close of procurement in RMS and in case of KMS, within 1 ½ years. Proposals received after a delay of many years and that too bunched up and often without relevant supporting documents results in further delay in settling the final subsidy claims of the State Government. Moreover, number of deficiencies are found in the States' initially submitted claims. To streamline the process of finalization of incidentals, this document has been prepared to provide broad guidelines for the State Governments and its agencies to prepare and furnish the claim so that the finalization of incidentals does not take much time and cross-references may be avoided to a great extent.

4. The Handbook has been structured into two chapters. The first chapter briefly indicates the policy and procedure in finalization of the incidentals. The second chapter includes the general guidelines to be followed for submitting the claims and also the details required for each type of incidentals. Certain illustrative proformae are also enclosed which can be suitably amended keeping in view the accounting system in vogue and specific characteristic of a claim for the particular commodity and/or marketing season involved. A check list has also been enclosed so that the State Governments/Agencies may ensure that the vital information are included in their claim(s).

5. This is first initiative by the Department in bringing out the guidelines in a consolidated manner. Though adequate care has been taken to frame these broad guidelines in a simple manner and to cover the different types of situations, Users are requested to offer their comments and suggestions to enable the Department to improve upon the guidelines.

Secretary
Department of Food & Public Distribution
Government of India
New Delhi.
September, 2010.

Chapter I: Introduction

1. Foodgrain Policy

1.1 The foodgrains procurement policy of the Government of India (GoI) has the following objectives:-

- a) To ensure that farmers get remunerative prices for their produce:
- b) To meet the requirement of Targeted Public Distribution System and other welfare schemes of the Government, so that the subsidized foodgrains are supplied to the poorer and needy; and
- d) To build up buffer stocks of foodgrains to ensure food security.

1.2. To meet the above objectives, the Government procures wheat and rice every year through Food Corporation of India (FCI) and State Govts./Agencies at Minimum Support Prices (MSP). Wheat procurement is done by FCI and State Agencies directly from the farmers or through Arthias/Cooperative Societies. In case of rice, however, apart from procuring paddy directly from the farmers and getting it custom milled, a substantial quantity is procured through rice millers in the form of levy. Rice millers procure paddy from the farmers, convert it into rice and deliver the same to FCI and State Governments / Agencies.

1.3 In order to maximize procurement of wheat and rice and to ensure that benefits of Minimum Support Price (MSP) reaches the farmers, the Government started the scheme of Decentralized Procurement (DCP) of foodgrains in the year 1997-98 under which the States undertake the responsibility of not only procuring foodgrains from within the State but also distributing the same to the targeted population under TPDS and other welfare schemes.

2. Coarsegrain Policy

In order to ensure that there is no distress sales by the farmers below MSP, whenever the market prices are below the MSP, the Government of India has been advising the coarse grains procuring State Government /Agencies to procure the coarse grains at MSP on behalf of FCI/ Govt. of India and retain the quantity procured to the extent of their requirement for PDS and balance be disposed of by FCI for which difference between the economic cost and disposal price is paid as subsidy to the State Govt.

3. Reimbursement of Subsidy

The Central Government undertakes to reimburse the entire expenditure incurred by the State Governments/Agencies on the procurement operations undertaken on behalf of it. Following stages are involved in this regard:-

- (i) Issue of provisional cost sheet
- (ii) Reimbursement of provisional cost to non-DCP States by FCI on delivery of foodgrains to Central Pool.
- (iii) Release of provisional and advance subsidy directly to DCP States by the Department
- (iv) Finalization of the cost sheet on the basis of Audited Accounts/Claims of the States.
- (v) Release of balance final cost/subsidy.

4. Provisional Cost Sheet

Since the details of actual expenditure incurred by the State Governments Central Pool (CP) and DCP operations are available only after such operations are over for a particular marketing season viz. Rabi and Kharif Marketing seasons, GOI issues provisional cost sheets (PCS), separately for Central Pool (CP) & DCP operations, before the beginning of the every market season for each State. The incidentals for provisional costs sheet are decided/ issued on the basis of proposal submitted by the State Govt. and standard "principles" fixed by the Department in July 2003 and revised from time to time on the request of State Governments. Various elements of cost normally indicated are enclosed in annexure

5. Provisional Subsidy

On the basis of PCS, State Governments doing only CP operations claim provisional payments from FCI for the quantity of food grain delivered to FCI whereas the DCP states submit quarterly claim to the Department based on PCS and the quantity distributed in the quarter under TPDS/OWS. 95% of such provisional subsidy is paid to the State Governments. In addition, 90% of the estimated subsidy based on estimated distribution of food grains for the next quarter is also paid as Advance Subsidy. Such advance subsidy is adjusted from the claim of the States made during the subsequent quarter.

6. Finalization of the Cost sheet

Provisional cost sheet issued for each marketing season is finalized by the Department on the basis of details of audited accounts of the commodity involved and other information/documents submitted by the State Governments. The procedure in brief is as under:-

Time limit for submission of audited accounts is mentioned in the provisional cost sheet and also in the MoU signed between the State and Central Government.

Claims submitted by the State Governments are examined and finalized in the Department as per the following procedure: -

- i) **Provisional Finding** – The claim and other documents submitted by the State Governments are examined an interim report known as "Provisional Findings" is prepared by the Department based on the available information. Alongwith proposed rates for final incidentals, such findings contain the details of deficiencies and anomalies observed during examination of the claim, supporting documents not submitted by the States.
- ii) **Comments on provisional findings** – A copy of the Provisional Findings is sent to the State Governments with a request to send their comments, if any, within 30 days. State Governments are also given the option to indicate whether they want further discussion in the matter. In case the comments/views of the State Government are not received within a period of 30 days from the date of the receipt of the provisional findings, the

procurement incidentals are to be finalized on the basis of provisional findings and other information available.

- iii) **Meeting with State Governments** – After receipt of States' comments, if State Governments want, a meeting in the Department is convened to discuss the issues under dispute. If required States are given further time to submit any other additional information/documents.
- iv) **Final Finding/ Final Cost sheet** – Based on the comments/information received from the State and discussions held in the meeting, final finding is prepared and a final cost sheet for the particular commodity/marketing season is issued.

7. Final subsidy

Claims for final subsidy are to be prepared by the States based on the Final Cost sheet and are to be submitted for reimbursement to FCI for central pool and to the Department of Food & Public Distribution for DCP operations. *The distributions out of stock of previous years are to be evaluated on the basis of cost of respective marketing season so that subsidy claim is based on the concept of "Pooled Cost". For DCP operations, due care is to be taken to claim for the quantities which are distributed within the authorized allocation of GOI i.e. actual off-take of authorized allocation after excluding the off-take out of quantities lifted from FCI. From the final claim, provisional subsidy, advance subsidy, other payments/advance paid to the State Government are appropriately adjusted before making the final due amount.*

Chapter – II : Guidelines for submission of incidental claims

Incidentals claimed by the various State Government Agencies generally lack certain necessary information or are not supported with documentary evidence. Requirement of the type of supporting documents/details to be submitted may vary depending upon the type of food grain viz wheat, paddy/CMR, Levy rice, coarsegrain etc. and whether the State activities are upto acquisition stage or extended to distribution under DCP operations also. Further, some of the DCP States may be procuring more than their requirement under TPDS/OWS while procurement in other states may not be sufficient to meet TPDS/OWS requirement and are required to lift part of their requirement from the FCI. In view of the diverse circumstances, it is difficult to suggest a uniform set of Performa and documents to be submitted along with the claims. A check-list of the common necessary documents is enclosed to facilitate the submission of complete claim.

General guidelines for submission of the audited claims and arriving at the incidentals are discussed hereunder to enable the State Governments to submit complete claim and to avoid delays in calling the information/ clarifications or documents on peace-meal basis. In case States feel that certain other information/ data or documentary evidence are necessary in support of their claims, the same may also be furnished by the State Governments/State Agencies.

A. General information

1. Claim of all the state agencies are to be forwarded by State Govt. along with its recommendations on the claim.
2. State Govt.'s Consolidated Proposal based on weighted average cost of agencies involved along with each agency's claim for finalization of incidentals cost/economic cost for the concerned marketing season (KMS/RMS) for the commodity concerned in the claim should be provided with supporting documents.
3. The claims of the State Government and its agencies should be audited and Auditor's certificate to be enclosed. Basis of allocation, apportionment and absorption of common cost should be clearly indicated by the Auditor. In case certain incidentals are claimed not on actual basis but on derived cost, the basis adopted for deriving such incidentals are clearly mentioned in the certificate.
4. Each State Agency's as well as the State Governments' Annual Report containing the Balance Sheet, Profit & Loss Account, Quantitative information. Auditors' report etc.) Should be enclosed. In case Segmental Accounts and/or Accounts for the specific commodity are maintained, copies of such accounts are also to be enclosed.
5. Most of the Agencies may be performing various activities and operations besides MSP operations and therefore, background note on each agency may be provided.
6. A statement showing the total expenses incurred and income received by the organization under different heads of accounts and the share applicable to other activities or services shall be prepared and reconciled with the financial statement. As per Annexure-V A.

7. In case the claim involves more than one financial year cost (e.g. KMS), audited statements showing the apportionment of quantity and expenditure incurred in two concerned financial years should be attached with the claim along with both years' audited annual accounts. As per **Annexure-IV**.
8. The cost statements shall be reconciled with the financial statements for the financial year specifically indicating the expenses or income not considered in the cost records or statements so as to ensure accuracy and to adjust the profit of the product under reference with the overall profit of the company. The variations, if any, shall be clearly indicated and explained. As per **Annexure-V B**.
9. Statement showing Break-up of the quantities procured and sales/disposal by each concerned State agency is to be provided. As per **Annexure-I**.
10. A statement showing allocations made by GOI to State government under different TPDS/OWS schemes, break-up of off-take from FCI stock and DCP stock and reasons for variations, if any, are to be indicated. As per **Annexure-I**.
11. Various orders issued by GOI like Provisional Cost sheet, Relaxation in specifications, value cut, extension of procurement period, use of old/once used gunnies; permission to begin coarse grain procurement operations and other relevant letters from or to GOI may also be enclosed to have ready reference.
12. State Govt.'s consolidated stock flow statement based on Agency's stock flow statement & Monthly stock flow statement of each agency indicating break-up of storage under CAP and Covered and FAQ/URS is to be provided. As per **Annexure-III**.
13. Statement indicating details of subsidy/amount/advance received from GOI/FCI, sales realization and any other amount/recoveries made towards shortages and storage/interest charges after free lifting period has to be provided.

B. Guidelines for claiming different incidentals

1. MSP:

1.1 MSP is the Minimum Statutory Price to be paid to the farmers for procuring commodity of FAQ specifications. In case relaxation in specification is agreed on the request of State Government and merit of the circumstances arising out of climatic changes, value cut is imposed over MSP depending upon the quantum of relaxation in the refractory. A separate cost sheet is issued for such URS grain.

1.2 The State Government should maintain separate accounts for each commodity, crop year-wise. For commodity under consideration, details of procurement under MSP operation (separately for FAQ & URS) and commercial operation should be maintained in quantitative and value terms and furnished.

1.3 In case the average purchase price as per quantitative information provided in the Annual Report of the organization is not tallying with the MSP price, reasons for such variation need to be indicated.

1.4 Where the State Agencies' Annual Reports are accounting procurement cost which includes MSP, statutory charges, entire or part of the acquisition cost, the breakup of such elements is to be provided.

1.5 The State Government/Agencies should provide a self attested certificate that the purchase price paid to the farmers is not less than the MSP.

Incentive bonus by GOI

Incentive bonuses are announced by the GOI from time to time subject to the conditions that no taxes are levied on the bonus amount. State agencies also have to certify that the amount of the bonus has actually been paid to the farmers.

Incentive bonus by State

Some States also announce and pay incentive bonus over and above the MSP or bonus announced by the Central Government from time to time. Such State announced bonus is to be borne by the respective States and are not to be included in the claim preferred to the GOI.

2. Statutory Taxes/Cess

- a) Various State Governments are levying statutory charges in the form of taxes and cess like Value Added Tax (VAT), Purchase tax, Market Fee/Mandi Fee, Nirashrit Shulk, Commercial Taxes, Infrastructure Development Taxes, Rural Development Cess etc. on the food grains procured for Central Pool as well as DCP. Such tax rates are notified from time to time by the respective State Governments and included in the Provisional Cost Sheet.
- b) For claiming the statutory charges, the State Agency should provide all the notifications issued by the GOI or State Govt. for levying particular tax.
- c) In case fees or cess are levied by the State Government for fulfilling particular objective like Mandi fees for development of Mandis/markets, ID cess for development of infrastructure, etc., then certificate from each such authority is to be enclosed certifying that the revenue generated is utilized for the objective or which it is collected. For example, in case of mandi fee, the State Government should provide the certificate from the mandi board for proper utilization of the mandi fees for devolvement of the mandi.
- d) Some of the taxes/duties/fee/cess is charged when the procurement is made in the declared markets/mandis. In case the procurement is made through co-operative societies at village level, the States should certify that such taxes etc. are actually paid on such purchases.
- e) Some of the statutory taxes, duties, cess etc. are adjustable under VAT or other taxes/schemes of Central/State Governments. For examples, Tax on inputs is adjustable from final tax through mechanism of input/output credit adjustments. In case of such adjustments available or availed, the State Agency should provide the relevant information regarding the tax levied on the purchase as well as on sale in case of VAT and certified that necessary adjustments have been made in the claim.

3. Arthia Commission/Dami Charges

Arthias render the services of the immediate intermediary and aggregator in the process of procurement for which they charge their commission as notified in the Agricultural Produce Markets Act (APMC) of the respective States. There may be possibility of overlapping of the functions of Arthia and Mandi labour in certain cases where the APMCs define their roles. Therefore, details of operations/activities ought to be performed and the type of services they are required to render in the process of procurement of food grains along with copy of the concern notifications issued by some of the APMC in this regard may be attached.

4. Mandi Labour Charges:

4.1 Mandi Labour Charges are the charges incurred in the mandis/markets for engaging the labour to perform various activities like cleaning of grains, filling in the bags, weighing, stitching, labeling, stacking, loading in truck etc. APMCs of the States normally notify the labour rates for each activity to be performed by the labour in the market/Mandi. Such notifications also indicate the activities for which charges are to be borne by the seller or the buyer. Expenses borne by the sellers like unloading of the grain, cleaning expenses, etc. are not to be claimed under this head.

4.2 Accounting policy of some of the State Agencies is to book all the expenses like market fee, purchase tax, arthia commission, labour cost etc. incurred during purchase of foodgrain in the market under the head "Mandi Charges". In such cases, adequate care is to be taken to claim only direct labour cost incurred in the Mandis under this head. In case direct cost is not separately maintained, the expenses are to be properly allocated or apportioned on a rationale basis and such basis is to be indicated in the claim. In no case, entire "Mandi Charges" are to be claimed under the head "Mandi Labour Charges".

4.3 Some of the Agencies also claim "handling charges" (labour charges incurred for unloading/loading of foodgrain at storage points) and/or "hammali charges (labour charges at the time of sale/distribution of grain) alongwith the "mandi labour charges". Such practice may result in incomparable figures per unit under this head claimed by different agencies within a State or by different States. Such handling/hammali charges are not to form part of the 'mandi labour charges'. Handling charges are normally included as part of 'handling and transport cost' while hammali charges are part of sales/distribution expenses.

3.4 Expenditure incurred for making arrangement for lights, drinking water, temporary sheds (tents/tirpals) etc. are not to be included in the cost of 'Mandi Labour Charges' as these expenses are part of services to be provided by the marketing committees for which separate market fee is paid.

4.5 In some States, there is practice to book local transport cost (within 8 km) under the head "Mandi Labour Cost". Since there is separate incidental head for "Transport Cost", the portion of cost incurred for local transportation, even if paid to the labour, is to be determined on appropriate rational basis and transfer to the relevant "Transport Cost" head.

4.6 While claiming Mandi labour charges the State Govt./Agency should provide the basis of the claimed amount, whether the labour charges have been paid as per the mandi labour

slab or paid by adopting any other method. If the slab rates are different for the different locations /districts /procurement centers, then districts /procurement centers wise slab rates should be provided, at least in respect of major procuring districts.

4.7 To avoid overlapping of operations with the Arthias, the State Governments may provide a list of the functions being performed by the Arthias as well as a list of operations considered for working out the mandi labour rates. The same may be considered while claiming the rates for the Mandi Labour to ensure that no similar element is factored into the cost of both Arthia Commission and Mandi Labour.

3.8 If the State Govt/Agency has been involved in other operations also, they should provide the mandi labour charges for each activity. It is suggested that they should maintain all the accounts for each activity marketing season wise and also crop wise.

5. Commission paid to societies:

5.1 The State Govt./Agency engages co-operative societies like Self Help Groups (SHG), Self-Help Women Groups & primary agriculture cooperative society (PACS) to undertake entire or part of its procurement operations. As per principles, GOI allows commission for such cooperative societies at prescribed rate only where Arthias/Damis are not engaged.

5.2 Some of the States assign additional functions to the Societies like temporary storage, doing some of the mandi labour activities, temporary storage, etc. for which such expenses incurred by them, on the basis of their audited accounts, are reimbursed in addition to the Commission at GOI rate. The overall limit of expenses in such cases is also restricted upto certain percentage of MSP of the foodgrains. Since these arrangements depend upon the terms and conditions agreed with such societies, the State Government should furnish a copy of such model agreement and other relevant details like the various activities assigned to the societies. Further, expenses reimbursed for performing the additional activities should be booked under proper head e.g. labour charges under "Mandi Labour Charges", storage charges under "Custody and Maintenance Charges" etc.

5.3 In case only part of the procurement is done by the Societies, then the commission is applicable to only such quantities which are procured through such societies. Therefore, the claim is to specifically mention the quantities procured through societies and the quantities procured without engaging societies. The weighted average cost w.r.t. total quantity procured is also to be intimated.

6. Custody & Maintenance/ storage cost:

6.1 Storage cost is provided in the provisional cost sheet at acquisition stage as "Custody and Maintenance charges", and as "Storage charges" at distribution stage. These costs depend upon the storage period, type of storage viz. CAP or covered and the storage rate per bag (or per quintal) charged by the godown owner. In the provision cost sheets, these charges are provided separately for CAP & covered godowns at CWC rate for the storage period prescribed in the standard principles for different foodgrains.

6.2 Storage cost is involved only when the foodgrain is stored in godown. In case the commodities like wheat is directly delivered from the Mandis/procurement centers to FCI, no storage cost is involved. Similarly in case the storage is at the millers' premises or for

which no separate storage cost is paid. no storage cost is booked under the head. State Government/agencies are therefore, required to provide break-up of all such quantities for which no storage cost is incurred.

6.3 In view of different storage rates, the State Government is also required to provide breakup of the quantities kept under CAP and quantities stored in covered godowns for each type/variety/grade of foodgrain.

6.4 Claims for storage charges are also to be accompanied with a month-wise stock statement, separately for each variety/types & grade of foodgrain kept under covered and CAP storage. Such information is ought to be similar to the details submitted while claiming the quarterly provisional subsidy. Average storage period is to be worked out based on such month-wise stock flow statement. In case of DCP states, average storage period claimed at acquisition stage is to be reduced from the total storage period while working out the storage period at distribution stage.

6.5 Since the claim for finalization of incidentals are marketing season-wise and the stock flow statement extend till the period the quantity procured during the season is exhausted (and may extend to the period beyond one marketing season) opening stock of previous seasons are not to be included in such stock flow-statement. Further, in case of DCP States, the stock procured over and above the TPDS/OWS requirement of one year is to be deposited to the FCI under Central Pool under MoU. Therefore, in case the surplus stock is not handed over to the Central Pool, no storage cost for such stocks are to be claimed.

6.6 The actual storage rate per month per unit may be different depending upon as to whether the godowns of CWC, SWC or private parties are used. Such rates need to be provided alongwith standard terms & conditions, where any rebate/discount is extended. the same are also disclosed in the claim.

6.7 Where the storage of foodgrain is in the own godowns of the State Government/Agency, the storage cost is to be apportioned for the various commodities stored on an appropriate rational basis and the same is disclosed in the claim.

6.8 For non - DCP states, the carry over charges are separately paid for deliveries of wheat after 30th June of the respective season by FCI. In order to avoid duplicity, the monthly Stock statement of such grains & average storage period thereof is to be prepared only upto the month of June. Such average storage period (without considering the opening balance at the beginning of the season) is to be considered while claiming custody & maintenance charges at acquisition stage.

6.9 In case of disposal of coarse grain through tenders, normally the storage charges and interest cost after the free lifting periods are recovered from the tenderer/buyer as per the terms and conditions of the tender. Such recoveries made from the parties for delayed lifting alongwith scheduled & actual lifting dates are to be provided alongwith the claim. Copy of the model tender form for disposal of coarse grain is also to be enclosed with the claim.

6.10 Carry over charges in case of wheat are payable at the prevailing rate of interest (on monthly compounding basis calculated on MSP plus incidentals less administrative charges) along with the agreed storage charges per quintal per month, for delivery of wheat after 30th June of the respective year. For the month of dispatch, carryover charges

are allowed at half the normal rate. As the actual incidental cost and interest rate during the relevant period may be different, such details of actual are to be intimated while submitting the claim so that changes in carry over charges, if necessary, could be worked out.

7. Shortage/Driage:

7.1 The shortages/driage may be due to various factors like transit losses, storage losses, diriage, damage etc. The break up in this regard should be provided. Normally, the transit losses are recovered from the Handling and Transport contractor/insurer and storage loss over permissible limits are the responsibility of provider of the storage facility e.g. CWC & SWC godowns. So information towards recoveries from the H & T contractor, insurance agency, SWC, from the parties, etc., if any is to be provided.

7.2 Sometimes the State Govt./Agency takes effect of shortages twice in the claim resulting in double counting of shortage loss. Firstly, the shortage loss is included in the total cost per Quintal. Subsequently, the total claim is computed by multiplying the above cost per quintal with the procured Quantity instead of Distributed Quantity. Such anomalies are to be appropriately taken care of while submitting the claim.

8. Storage Gain

8.1 Provisional cost sheet prescribes that moisture gain @ 1% for wheat stored in covered godowns and 0.7% for wheat stored under CAP is to be adjusted from the incidentals payable to the state Government/agencies subject to the condition that no storage gains in wheat due to absorption of moisture would be taken on the stocks which would be stored/discharged up to 30th June every year, and one time storage would be realized irrespective of the period of storage. Actual storage gain may, however, be different than the norms and therefore, the same is provided along with the claim.

8.2 Further, quantitative information attached to the Annual Report normally contain the information on quantity procured, disposed off/sold and the gain/losses. Actual average percentage of gain for wheat/other relevant commodities on the total procurement, whether for MSP or other than MSP operations, is also to be provided for the relevant year.

9 Interest Cost:

9.1 Interest at acquisition stage is provided on the elements of MSP/Bonus, statutory charges and Mandi Labour charges at prevailing interest rate for time period specified in the principles. At distribution stage, interest cost is provided on the acquisition cost less interest charges & administrative charges at acquisition stage.

9.2 Interest cost depends upon the funds involved, rate of interest and the period of usage of such funds. The claims of the State Governments/agencies should, therefore, provide such details i.e. amount of funds utilized for the subject commodity, period for which such funds were blocked and the details of the rate of interest during the concerned period. The claim should also take into consideration the various receipts/subsidies available during the period.

9.3 *Source for funding* the operation needs to be indicated. In case the cash credit limit is availed from the bank and the interest under such account is claimed, then it is to be certified that exclusive bank accounts for the particular commodity for the concerned crop was operated and all the receipts for such commodities are directly deposited in that account. Bank Account No., interest rate(s) charged, duration of such loan, and amount of interest alongwith copy of bank statement is to be provided. In case any penal interest is levied by the bank, the same may be separately shown.

9.4 In case common bank account is used for availing the cash credit limit, then the interest claimed by the bank is to be apportioned on rational basis and such basis and the working sheet of allocation/apportionment of the money received/deposited for various commodities/purposes is to be furnished.

9.5 *State Government may provide funds* to its agencies on interest free basis or may charge normal or subsidized rate of interest. In such cases, the State Agencies should claim the interest based on actual interest rate paid to the State Government during the period under consideration. The claim in such cases is to include amount of funds available, rate of interest, duration of the loan and whether interest is charged on compound or simple interest rate basis. Periodic payments made or receipts out of sale of commodity under TPDS/OWS schemes are to be properly accounted for. In case such funds available from the State Government are utilized for more than one commodity or include more than one marketing season, the share claimed for the commodity should be based on reasonable and equitable basis. Basis of apportionment and working sheets are to be enclosed with the claim.

9.6 Where the State Governments or its Agencies use *their own internal generated funds* and claim the notional interest, the claim should disclose these facts and accompanied with the working sheet, clearly indicating the notional rate of interest adopted, estimation of fund involved and the period for which such interest has been considered at different stages. Manner and extent of adjustment of provisional subsidy, advance subsidy, rolling advance sales realization etc. is also to be disclosed.

9.7 *Provisional and advance subsidies* on quarterly basis are released to the State Governments. Some of the State Agencies also obtain *rolling advance* from FCI/GOI for procurement activities. Due to such advances, interest liability of such organization is bound to be lower. In all such cases, appropriate adjustments may be made either (i) by adjusting the interest element from the cost sheets; or (ii) adjusting the interest on the advances separately from the claims of the Agencies at the applicable rate during the period.

9.8 Recovery of Interest Charges in case of coarse grain (Tender process) from the buyers after the free lifting period if the crop has been sold out by the tender process should be mentioned in the claim and the Terms & Conditions of tenders also should be enclosed.

9.9 A *monthly cash flow statement* indicating cash outflows (the monthly value of the opening stock, value of procurement, etc.) and cash inflows (sales realization under various TPDS/OWS schemes, receipts from FCI/GOI towards deliveries, rolling advances, provisional and advance subsidy or any other payments, etc.) is to be provided. Interest rate applied to such net cash out flow and amount of interest claimed is also to be worked out in such statement. An illustrative proforma is enclosed at Annexure-IV.

9.10 The Annual Report of the State Government/agencies provide the information on the total interest cost incurred and total interest received during the financial year. Such amount is for the entire organization and for performing multiple activities/operations. In case interest claimed by an agencies/State Government in its claim for a particular year is higher than the *net interest expenditure shown in the Annual Report*, adequate reasons and justification is also to be included with the claim.

10. Transportation and Handling Costs:

10.1 The transportation cost depends on the lead distances between procurement centers to storage points, storage points to rice mills, and rice mills to delivery points at FCI/Agencies godowns etc. Location/concentration of these points and geographic spread of States are therefore, important determinants of the lead distances. The cost also depends on the rates of transportation per km per quintal applicable for such distances at different places, which varies among the states. The locations of various procurement centers, milling units, storage points and distribution points etc. in a state are not dynamic in nature and the sufficient data ought to have been available with the State Governments/agencies relating to lead distances. The claim, therefore, is to accompany with the working sheet showing the quantity transported to different locations, average lead distance and average transportation rates.

10.2 In case the foodgrain is directly *delivered from the procurement centers to FCI*, no transportation cost is borne by the State Government/ Agencies for such quantities. Therefore, the details of such quantities are to be indicated in the claim and no transportation cost on such quantities is to be claimed.

10.3 As per provisional cost sheets, foodgrains delivered from procurement centers to the depots/storage point of FCI for *Central Pool*, transportation charges are payable on the basis of rates fixed by District Magistrate of the State or FCI's rate, whichever is lower, for actual distance involved. Since the transportation cost is reimbursed for actual distance by FCI, such cost is not to be claimed and the details of quantities of foodgrain such delivered alongwith amount received from FCI are to be indicated in the claim.

10.4 Transportation cost upto 8 KM from purchase centers to mills and from mills to storage godowns on paddy as well as rice is included in the Milling Charges fixed for converting the paddy into rice. As such transportation cost is to be borne by the millers, the State Governments should not claim these charges and submit a certificate that such cost is not included in the claim. In case the distance involved is more than 8 km, breakup of the quantities and gross transportation cost, deductions made upto 8 km and the net cost claimed is to be provided. Slab rates of transportation cost (separately for first 8 km) are also to be enclosed. Such adjustments may, however, be not required in case milling charges are excluding the transportation cost for first 8 km.

10.5 In some cases Mandi labour cost includes local transportation cost (say upto 8 km). portion of such cost may be excluded from the labour cost and adjusted under the Handling and Transportation Cost after providing the break-up of such cost and certifying that the same is not included in the claim under 'mandi labour cost'.

10.6 For DCP states, the transportation cost on distribution is upto the base depot/storage godowns from which the foodgrain is distributed to the Fair Price Shops. The State

Governments are fixing State Issue Price after adding certain cost towards local transportation, hamali charges (loading/unloading charges), retailers' margins etc. to the Central Issue Price. Therefore, the transportation cost claimed by DCP states should not include such cost of transportation beyond base depot/storage godowns and enclose a certificate in this regard.

10.7 Keeping in view the various situations and possibility of different quantities of foodgrain being delivered to FCI and/or under DCP operations under different circumstances/ mode of delivery, a statement is to be enclosed indicating the quantities delivered under the various modes and accompanied transportation/handling cost involved together with weighted average cost.

11. Administrative Charges

11.1 Administrative charges under the extant policy are allowed only for one marketing season. State Governments may opt the marketing season for which administrative charges are to be allowed. These charges allowed in Provisional Cost Sheet as percentage of MSP are the upper limit and are subject to actual. The State Governments/Agencies, therefore, should claim only the actual Administrative cost incurred on MSP based operations and provide the basis for such claim.

11.2 One of the approach that can be followed for allocation and apportionment of the Administrative cost to various activities is that out of the total administrative expenses reported in the audited accounts, first the amount booked towards various provisions/write-offs and expenses like provisions for bad and doubtful debts, capital works, business promotion expenses, celebrations and Diwali Gifts, commission and discounts, donations, loss on sale of fixed assets, loss on sale of stores, advertisement and publicity and warehousing expenses etc. are excluded. Subsequently, the expenses which are directly identifiable to non-procurement activities are separated to determine common administrative expenses on procurement activities. These common expenses are thereafter apportioned to MSP and non-MSP procurement activities on appropriate and rationale basis. Proportion of administrative cost determined for MSP operations may then suitably be divided among the various commodities (wheat/paddy/rice) and various marketing season. However, the State Governments/Agencies may adopt any other suitable method for determination of actual administrative cost. In either case, working sheet and basis adopted in allocation/ apportionment of cost is to be clearly indicated in the claim.

12. Packing Cost (Gunny Costs)

12.1 The estimated cost of new gunnies included in the provisional cost sheet is based on the calculations provided by FCI. These calculations are arrived on the basis of six months' average cost of basic price of Jute Bags notified by Office of Jute Commissioner, Kolkata and include various elements of duties, taxes, interest, freight etc. The actual cost may be different and depends upon the source of procurement of gunny bags.

12.2 In case the gunnies are supplied by FCI, no cost is incurred by the State Government/Agencies under this head. Though the details in this regard are maintained by FCI as well as agencies, this fact is to be disclosed in the claim and no cost towards gunnies is to be claimed.

12.3 Where the State Governments directly purchases the gunnies from DGS&D, the breakup of actual cost in terms of basic price, branding charges, taxes/duties/cess.

departmental and inspection charges are to provided. Further, in most of the States, now VAT is applicable which off-sets the taxes on the inputs. Therefore, break-up of all the taxes and duties should be shown separately and appropriate adjustments may be made for adjustments under VAT or any other tax as applicable in the state.

12.4 Landed cost of gunnies includes freight/transport cost. Since the Railways levy various charges like busy schedule and offer discount from time-to-time, in case the State Governments/Agencies avail discounts on railway freights in movement of gunny bags, the same may be considered for arriving at the landed cost and certified that such adjustments, if any, are made in the claim.

12.5 States may purchase new gunnies from the open market/local market subject to the conditions laid down by DGS&D like the market rates are lower than the rates arrived on the basis of DGS&D rates. The actual purchase rates are to be claimed in such cases.

12.6 'Once used gunny' bags can also be used by the State Governments/Agencies provided that GOI has allowed the same in writing and subject to adherence of certain conditions. In such cases, details of cost and number of such bags used and copy of GOI permission are also to be provided alongwith the claim. It may be noted that GOI is not generally encouraging and allowing the purchase of old bags from the open market.

12.7 Permission to use non-jute bags like HDPE bags are sometimes allowed by GOI under certain specific circumstances. In such case, copy of such permission is also to be enclosed while submitting the detailed cost break-up of such bags and number of such bags used.

12.8 In case gunny bags are used from the purchase made in the previous marketing season, such bags used from the opening stock is to be valued on the FIFO (First In First Out) principle. Separate details in this regard are to be indicated in the claim.

12.9 In view of the above possibilities, the claim towards gunny cost is to be prepared on the weighted average basis by considering the type of bags used from different sources, associated cost and after considering the appropriate adjustments towards taxes availed. Working sheets for arriving at the cost under each situation are also to be appended with the claim. In case such weighted average cost is different than the average cost indicated in the quantitative details of Annual Report, broad reasons for such variations are also to be indicated.

12.10 Depreciation on gunnies in case of CMR is to be claimed on the basis of accounting policy of the organization. In case of once used bags, the basis adopted for such claim may also be separately indicated.

Check List

- (i) Whether the Proposal for final rate of incidentals/economic cost for the concerned marketing season (KMS/RMS) for the commodity are enclosed.
- (ii) Whether such Audited Accounts for the commodity are enclosed separately for each concerned State Agency.
- (iii) Whether statement of apportionment of quantity and expenditure incurred in two concerned financial years, in claims relating to KMS (October to September) is enclosed.
- (iv) Whether the accounts are audited by the Statutory Auditor(S)
- (v) Whether the Auditor's certificate is enclosed
- (vi) Whether break-up of the quantities procured and sales/disposal by each concerned State agency is provided.
- (vii) Whether copy of the notifications in respect of statutory charges enclosed.
- (viii) Whether break-up of Mandi labour charges and copies of APMC notified schedule rates are enclosed.
- (ix) Whether month-wise stock flow statement, indicating break-up of storage under CAP and Covered is provided.
- (x) Whether statement indicating interest rates applicable during the period is enclosed.
- (xi) Whether break-up of transport charges (like mandi to temporary storage point, storage point to FCI/Distribution) alongwith average lead distance provided.
- (xii) Whether statement indicating the usage of gunnies acquired through FCI and/or purchases alongwith cost details is provided.
- (xiii) Whether statement indicating break-up of off-take from FCI stock and DCP stock alongwith allocations made by GOI for different TPDS/OWS schemes is enclosed.
- (xiv) Whether details of subsidy/amount/advance received from GOI/FCI, sales realization and any other amount/recoveries made towards shortages and storage/interest charges after free lifting period has been enclosed.
- (xv) Whether Annual Reports (Balance sheet/Profit & Loss Accounts with notes) for all the State Agencies including State Food Departments for the concerned year(s) are enclosed.
- (xvi) In case where stock is disposed off in more than one financial year, the Annual Reports of all such years are to be enclosed.
- (xvii) Whether all the above documents are enclosed in duplicate.

Annexure-I

Quantitative Details

Following quantitative information separately for each of the state agencies and consolidated for State Govt. to be provided:-

State Agency/Govt.....
Commodity.....

Financial Year.....
Marketing Season.....

1. Procurement Reconciliation

(Units.....specify)

S. No.	Commodities/Varieties	Procurement		
		Under MSP Scheme*	Under Other Schemes	As per Annual Accounts
1				
2				
3				
4				

* Monthwise procurement under MSP operation should be provided.

2. Distribution under various scheme & Transfer to FCI

(Units.....specify)

		CP*	DCP*				Total
			APL	BPL	AAY	OWS	
S. No.	Commodities/Varieties						

* Monthwise transfer/distribution should be provided.

Date.....
Place.....

Name & Seal of certify authority

Performa of cost sheet for:- CMR/RICE/PaddyState Agency/Govt.....
Commodity.....Financial Year.....
Marketing Season.....

S. No.	CENTRAL POOL Details	Acquisition Cost for Raw Rice				(Rs. per Qtl.) Remarks
		As per Provisional		As per Claim		
		Common	Grade A	Common	Grade A	
1	MSP					
2	Statutory Charges					
	(a) Market Fees					
	(b) Nirashrit Shulk					
	(c) Commercial Tax					
	(d) Other (if any) - Specify					
3	Mandi Labour/ Handling charges					
4	Commission to societies					
5	Driage					
8	Custody & Maintenance					
9	Interest Charges.					
10	Milling Charges					
11	Transportation charges					
12	Cost of 1 Qtl. of paddy					
13	Out Turn Ratio					
14	Sub-Total					
15	Administrative Charges					
16	Cost of Gunny Bags					
17	Gunny Depreciation					
A	Total Cost of 1 Qtl. of rice					

B Distribution Cost - DCP

S. No.	Details	As per Provisional		As per Claim		Remarks
		Common	Grade	Common	Grade	
1	Storage charges					
2	Handling & transportation charges.					
3	Interest charges					
4	Transit & Storage loss					
5	Administrative charges					
	Total Distribution Cost					

C.	TOTAL ECONOMIC COST (A+B)					
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Note: The other incidentals may also be include if not in the Performa of cost sheet

Date.... Place.....

Name & Seal of certify Authority

Performa for cost sheet: Wheat/Coarse Grain (Maize/Bajra/Jowar)State Agency/Govt.....
Commodity.....Financial Year.....
Marketing Season.....**Central Pool Acquisition Stage**

Rs./Qtl

S. NO	ITEMS	Provisional rates	State Government's Claim	REMARKS
1	Purchase Price (MSP)			
2	STATUTARY CHARGES			
(i)	Market fee (Mandi tax)			
(ii)	Nirashrit tax			
(iii)	Other (if any) -Specify			
3	Mandi Labour charges			
4	Commission to societies			
5	Transportation Charges			
6	Storage charges			
7	Interest charges			
8	Cost of gunny bags			
9	Administrative expenses			
10	Storage/Transit loss (In case of coargegrain)			
11	Gross Acquisition cost			
12	Less: Storage Gain (In case of wheat)			
13	Net Acquisition Cost			

Note: The other incidentals may also be include if not in the Performa of cost sheet

Distribution Stage-DCP

Rs./Qtl

S. No.	Details	As per Provisional		As per Claim		Remarks
		Common	Grade 'A'	Common	Grade 'A'	
1	Storage charges					
2	Handling & transportation charges.					
3	Interest charges					
4	Transit & Storage loss					
5	Administrative charges					
	Total Distribution Cost					

C.	TOTAL ECONOMIC COST (A+B)					
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Note: The other incidentals may also be include if not in the Performa of cost sheet

Date..... Place.....

Name & Seal of certify authority

Performa of Stock flow statement

State Agency/Govt.....
Commodity.....

Financial Year.....
Marketing Season.....

Units....Specify

S.NO	Name of month	Opening Balance	Purchases	Transfer purchase	Total Stock	Disposal/sale/issue to milling(paddy)	Transfer sale	Total Disposal	Storage loss/gain	Balance at the end of the Month
1	2	3	4	5	6= (3+4+5)	7	8	9= (7+8)	10= (6-9)	10
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
	Total		0							0

Average Storage/Inventory Period:- $\frac{\text{Sum of closing Stock}}{\text{Sum of total procurement}}$ =.....months

Date.....
Place.....

Name & Seal of certify authority

Performa of cash flow statement

State Agency/Govt.....

Financial Year.....

Commodity.....

Marketing Season.....

Units....Specify

Calculation of Cash Out Flow for KMS 2002-03				
S.NO	Months	Total Procurement	*Per qtl cost of procurement	Total Cash Out Flow
1	2	3	4	5 = (2*3)
1				
2				
3				
4				

Sales/Distribution					
BPL	APL	AAY	OWS	Provisional/Advance Subsidy	Total cash inflow
6	7	8	9	10	11 = (6+7+8+9+10)

Calculation of Net Interest Paid (Amt in Rs.)				
Net cash out flow	Cumulative cash out flow	Interest Rate As Per GOI/Actual	Money Block in months	Net Interest Paid
12=(5-11)	13	14	15	16 = (13*14*15/12 months)

Date.....

Name & Seal of certify authority

Place.....

Reconciliation Statement of income & expense of P&L accounts

Annexure-VA

State Agency/Govt.....
Commodity.....

Financial Year.....
Marketing Season.....

Units....(Specify)

S.NO	Particulars	Total expense as per P&L	Share applicable to food grains	
			Food grain	Non- food grain
1	Income			
	(i) Interest Received			
	(ii) Commission Received			
	(iii) Service charges			
	(iv) Income on storage			
	(v) Incidentals Received			
	(vi) Miss/other income			
2	Expenditure			
	(i) Procurement Expenses			
	(ii) Establishment & Adm. Expenses			
	(iii) Selling & distribution Expenses			
	(iv) Interest & Financial charges			

Annexure VB

S.no	Procured quantity :-	Total food grain expense	Basic of Allocation	CMR	Levy Rice	Wheat	Coarse Grain	Commercial Activity of food grain
	Procurement Expenses:-							
1	MSP							
2	Statutory Charges							
	(a) Market Fees							
	(b) Nirashrit Shulk							
	(c) Commercial Tax							
	(d) Other (if any)							
3	Mandi Labour/ Handling charges							
4	Commission to societies							
5	Custody & Maintenance							
6	Interest Charges.							
7	Milling Charges							
8	Transportation charges							
9	Cost of Gunny Bags							
10	Other (If any)-Specify							
	Distributed quantity :-							
	Selling & distribution Expenses :-							
1	Storage charges							
2	Handling & transportation charges.							
3	Interest charges							
4	Transit & Storage loss							
5	Administrative charges							
6	Other (If any)-Specify							

Date..... Place.....

Name & Seal of certify authority

Performa of Allocation of expenses as per marketing season-wiseState Agency/Govt.....
Commodity.....Financial Year.....
Marketing Season.....

Units..... (Specify)

S.NO	Particulars	Period		Total	Per unit
		Apr to Sep	Oct to Mar		
I	Quantitative Information				
	Procurement Quantity				
	Distributed Quantity				
	Units	Rs/Lakhs	Rs/Lakhs	Rs/Lakhs	Rs/Lakhs
II	Procurement Expenses:-				
1	MSP				
2	Statutory Charges				
	(a) Market Fees				
	(b) Nirashrit Shulk				
	(c) Commercial Tax				
	(d) Other (if any)				
3	Mandi Labour/ Handling charges				
4	Commission to societies				
5	Custody & Maintenance				
6	Interest Charges.				
7	Milling Charges				
8	Transportation charges				
9	Cost of Gunny Bags				
10	Other (If any)-Specify				
	Total				
III	Selling & distribution Expenses :-				
1	Storage charges				
2	Handling & transportation charges.				
3	Interest charges				
4	Transit & Storage loss				
5	Administrative charges				
6	Other (If any)- Specify				
7	Total				

Date.....
Place.....

Name & Seal of certify authority