

No. 192(15)/2015-FC.A/Cs
Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution

Krishi Bhavan, New Delhi
Dated: 30th September, 2015

To,
The Additional Chief Secretary,
Food & Civil Supplies Department,
Government of Punjab,
Chandigarh

Subject: Fixation of **Provisional** rates of **Custom Milled Rice (CMR)(FAQ)** and cost of new 50 kg. Gunny Bags used by the Government of Punjab and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool during the Kharif Marketing Season **2015-16**.

Sir,

I am directed to refer to above subject and to convey the approval of the Government of India for payment of the following **Provisional** rates of Custom Milled Rice (**CMR**) (**FAQ**) to be delivered to FCI for Central Pool under the price support operation to the Government of Punjab and its agencies during the Kharif Marketing Season **2015-16**.

For Central Pool Operations:

(i) Incidentals for the stocks of CMR, which are handed over to the Food Corporation of India for the Central Pool (item wise details of incidentals are enclosed at Annexure):

<u>Commodity</u>	<u>Common</u>	<u>(Rs/qtl)</u> <u>Grade 'A'</u>
Raw-rice	2593.06	2662.84
Par-boiled rice	2551.81	2618.95

Note:

(iii) **This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, cost will be approved separately for such bags on receipt of a proposal from the State Government.**

(iv) **Since VAT Act has been implemented in the State, in addition to the above, VAT, as applicable, will be payable as per the relevant provisions of the ACT.**

2. In addition to the above, the following elements/items are also to be reimbursed to the State Government:

- (i) Guarantee Fee, if it is actually paid by the agencies to the State Government for obtaining credit, would be payable on actual basis, subject to a maximum of 1/8% of MSP worked out on the estimated quantity of paddy delivered to FCI procured under Price Support Scheme (PSS) for the Central Pool. FCI is requested to verify the claim of the State Govt before making payment. No interest on delayed payment on this account will be payable.
- (ii) Transportation charges for transportation of paddy from mandies/purchase centre to mills and for rice from mills to FCI godown will be payable on the basis of the rates fixed by the District Collectors of the State or FCI's rate, whichever is lower from 0 km onwards for the actual distance.
- (iii) Before making the payment of ID Cess, FCI should verify the relevant legal provision



3. Since milling charges are allowed/claimed @ Rs. 10 per qtl, for raw and Rs. 20 per qtl. For par-boiled rice transportation charges will be payable from 0 km onwards for transportation of paddy from purchase center/mandi to mill and rice from mill to FCI godowns.
4. The Custom Milled Rice would be delivered by the procuring agencies to FCI, in new 50 kg bags only, in its local godowns upto the scale point and the stacking in the FCI godown will be done by FCI.
5. The rate/cost of Custom Milled Rice (CMR) and other elements as indicated above are provisional. The State Government should send its claims for final incidentals alongwith accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof, as well as detailed justification for each item at the earliest after the end of the season and in any case not later than 12 months from the end of the financial year in which the season has ended.
6. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on requisite certificates from the State Government and its agencies for previous financial year before release of incidentals on account of statutory charges i.e. Market Fee, RD Cess etc.
7. These rates/cost sheets are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agency or the FCI. These rates would not be benchmarked to fix rate for such parties.
8. This issues with the approval of the Integrated Finance Division vide their Dy. No. 326528/AS&FA/2015 dated. 30.09.2015

Dated: 30.09.2015

Yours faithfully,


(Sanjay Kumar)

Under Secretary to the Government of India
Tele: (011) 2307379

Copy to:

1. The Executive Director (Procurement), FCI, 16-20, Barakhamba Lane, New Delhi-110001.
2. The Executive Director (Finance), FCI, 16-20, Barakhamba Lane, New Delhi-110001.
3. The Senior Regional Manager, FCI Regional Office-Punjab, SCO-356-359, Sector 34-A, Chandigarh.
4. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10 Bahadur Saha Zaffar Marg, New Delhi – 110002.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2nd Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001.
6. Advisor (Cost)/Director (FC A/cs)/DS (Finance)/US (Finance)/US P&F
7. Guard File.
8. Pr. Adv (Cost) / PPs to JS (P & F) |

Dated : 30.09.2015


(Sanjay Kumar)

Under Secretary to the Government of India

No. 192(15)/2015-FC.A/Cs
Government of India
Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice procured under (FAQ) specification delivered to the Central Pool during the Kharif Marketing Season 2015-16 in respect of Government of Punjab and its agencies

(Rs./qtl.)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	Minimum Support Price (MSP)	1410.00	1450.00	1410.00	1450.00
2	Statutory Charges				
	(i) Market Fee @2% of MSP	28.20	29.00	28.20	29.00
	(ii) RD Cess @2% of MSP	28.20	29.00	28.20	29.00
	(iii) Infrastructure Development Cess @ 3 % of MSP	42.30	43.50	42.30	43.50
	(iv) VAT !	-	-	-	-
3	Dami/Arhatia Charges @2.5% of MSP	35.25	36.25	35.25	36.25
4	Mandi Labour Charges	17.79	17.79	17.79	17.79
5	Driage @1% of MSP	14.10	14.50	--	--
6	Custody & Maintenance Charges (CAP) \$	-	-	-	-
7	Interest Charges for 2 months @11.48% p.a. on MSP, Statutory charges including notional VAT and Mandi labour charges #	30.60	31.46	30.60	31.46
8	Milling Charges excluding transportation charges within a distance of 8 kms from mills on paddy as well as rice.	10.00	10.00	20.00	20.00
9	Administrative charges @2.5% of MSP of paddy	35.25	36.25	35.25	36.25
10	Cost of 1 qtl. of milled paddy	1651.69	1697.75	1647.59	1693.25
11	Out turn ratio	67%	67%	68%	68%
12	Sub-Total	2464.18	2533.96	2422.93	2490.07
13	Cost of new gunny bags\$\$	92.06	92.06	92.06	92.06
14	Gunny Depreciation**	36.82	36.82	36.82	36.82
15	Cost of 1 qtl. of packed rice	2593.06	2662.84	2551.81	2618.95


! VAT as applicable at every stage will be payable as per the relevant legal provisions

\$Payment of Custody and maintenance charges would be regulated as per order issued by this Department vide letters dated 21.11.2014, 26.12.2014 and 04.09.2015 in regard to joint custody of paddy with millers.

Interest is allowed provisionally taking notional VAT @ 5% of MSP and Dami and filling and weighing charges of Rs10.32/qtl.

\$\$ Includes branding charges, safety stitch, cess, education cess, CST, inspection charges, development charges, terminal charge and railway freight.

**Gunny Depreciation is for procurement of Paddy in new gunnies. In case State proposes to use once-used/old gunny bags, then they should submit separate proposal for fixation of rates for these gunnies.


(Sanjay Kumar)

Under Secretary to the Government of India