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**No. 192(19)/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: 5<sup>th</sup> January , 2016

To,

The Secretary,  
Food & Civil Supplies Department,  
Government of Uttar Pradesh  
Lucknow

Subject: Fixation of **Provisional** rates of **Custom Milled Rice (CMR)** and cost of new 50 kg. Gunny Bags used by the Government of **Uttar Pradesh** and its agencies in respect of paddy and rice procured **Under Relaxed Specification (URS)** 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 CMR procured **Under Relaxed Specification (URS)** as per specifications issued vide this Deptt.'s letter No.8-9/2015-S&I dated 17.12.2015 under the price support operation to the Government of Uttar Pradesh and its agencies during the KMS **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):

		(Rs/qtl)
<u>Commodity</u>	<u>Common</u>	<u>Grade 'A'</u>
Raw-rice	2383.68	2446.55

**Note:**

(ii) **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.**

(iii) **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. The payment of commission to Societies will be subject to the conditions laid vide this Deptt.'s order no. 192(4)/2003-F.C.A/cs. dated 26.07.2013.

3. 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. No interest on delayed payment on this account will be payable.

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- (ii) Transportation charges/Handling Charges for transportation of paddy from mandies/purchase centre to mills and for rice from mills to storage godown will be payable on the basis of the rates fixed by the District Magistrate of State or FCI's rate whichever is lower from 0 km onwards for the actual distance. 175

4. Since milling charges are allowed @ 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/rice from purchase center to mill and from mill to FCI godowns.

5. The Custom Milled Rice would be delivered by the procuring agencies to FCI, in new 50KG bags only, in its local godowns upto the scale point and the stacking to FCI godown will be done by FCI.

6. 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.

7. These rates will be applicable for KMS 2015-16. State Govt. and FCI will keep separate account for the rice procured under **uniforms specification** and **Under Relaxed Specification**. These relaxations shall be applicable for areas under FCI district Bareilly, Sitapur, Allahabad, Lucknow, Gorakhpur, Faizabad, Gonda, Varanasi, Azamgarh, Agra Aligarh, Kanpur and Moradabad in Uttar Pradesh.

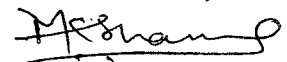
8. These rates/cost sheets are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agency or the FCI. These rates would not be benchmarked to fix rate for such parties.

9. 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.

10. This issues with the approval of the Integrated Finance Division vide their Dy.No. 326937/AS&FA/2015 dated 04.01.2016.

**Dated: 05.01.2016**

Yours faithfully,



(Manoj Kumar Sharma)

Under Secretary to the Government of India

Tele: (011) 23073798

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-Uttar Pradesh, Lucknow
4. The Finance Controller, Food and Civil Supplies Department, Govt. of Uttar Pradesh.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV,  
1<sup>st</sup> Floor, Wing – IV, West Block No. VIII, R. K. Puram, New Delhi – 110066.
6. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone,  
2<sup>nd</sup> Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001.
7. PS to JS (P&FCI)/Adviser (Cost)/Director(FCA/cs)/DS(Finance)/US (Finance).
8. Guard File.

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**Under Relaxed Specifications (URS)**

No.192(19)/2015-FC.A/Cs

Government of India

Department of Food and Public Distribution

**Provisional Rates of Custom Milled Rice (URS) in respect of rice procured under relaxed specification (URS) and delivered to FCI for Central pool During the Kharif Marketing Season 2015-16 in respect of Government of Uttar Pradesh and its agencies**

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(Rs/ctl.)

S. No.	Item of incidentals	Raw Rice	
		Common	Grade-A
	<b>Minimum Support Price (MSP)</b>	<b>1410.00</b>	<b>1450.00</b>
	Value cut on MSP@2%	28.20	29.00
1	<b>Effective MSP after value cut of 2%</b>	<b>1381.80</b>	<b>1421.00</b>
2	<b>Statutory Charges:</b>		
	(i) <b>Market Fee @2.5% of MSP</b>	34.55	35.53
	(ii) <b>VAT @4% of MSP \$</b>	-	-
3	<b>Mandi Labour Charges++</b>	9.38	9.38
4	<b>Driage @1% of MSP</b>	13.82	14.21
5	<b>Commission to Societies *</b>	31.25	32.00
6	<b>Custody &amp; Maintenance Charges (CAP) @Rs2.40 per qtl. per month for 2 months #</b>	4.80	4.80
7	<b>Interest Charges for 2 months @11.48% p.a. on MSP, statutory charges and Mandi labour charges^</b>	28.34	29.14
8	<b>Milling Charges</b> excluding transportation charges within a distance of 8 kms from the mill on paddy as well as rice.	10.00	10.00
9	<b>Cost of 1 qtl. of milled paddy</b>	<b>1513.94</b>	<b>1556.06</b>
10	<b>Out turn ratio</b>	67%	67%
11	<b>Sub-Total</b>	<b>2259.61</b>	<b>2322.48</b>
12	<b>Cost of gunny bags ^^</b>	91.06	91.06
13	<b>Internal transportation of gunnies</b>	1.50	1.50
14	<b>Gunny Depreciation for new gunnies ***</b>	31.51	31.51
15	<b>Cost of 1 qtl. of rice</b>	<b>2383.68</b>	<b>2446.55</b>

#Custody and maintenance charges would be released on production of a certificate by the State Government that these charges have been incurred by it.

\* Commission to Societies is payable, Subject to the conditions laid down vide letter no 192(4)/2003-FC a/cs Vol- 2 dated 26.07.2013.

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

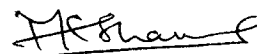
\*\*\*Gunny Depreciation is for procurement of Paddy in new gunnies. In case State proposes to use once-used/old gunny bags, then they should submit separate proposal for fixation of rates for these gunnies. Depreciation is being allowed as per the practice followed by the state.

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

^ Interest is allowed provisionally taking notional VAT@ 4 % of MSP

++Loading at procurement Centre/Mandi is included in Handling and Transportation charges.

**Dated: 05.01.2016**



(Manoj Kumar Kumar)

Under Secretary to the Government of India