

No. 192(14)/2014-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: 16th October, 2014

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

Subject: Fixation of **provisional** rates of Custom Milled Rice (CMR) 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 **2014-15**.

Sir,

I am directed to convey the approval of the Government of India for payment of the following provisional rates of Custom Milled Rice (CMR) procured under FAQ specifications under the price support operation to the Government of Punjab and its agencies during the Kharif Marketing Season 2014-15; item wise details of procurement incidentals are enclosed at annexure.

<u>Commodity</u>	<u>Common</u>	<u>(Rs./qtl)</u> <u>Grade 'A'</u>
Raw-rice	2482.98	2551.14
Par-boiled rice	2442.94	2509.51

Note:

- (i) 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, subject to maximum of 5%.
- (ii) This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, separate order will be issued for the same.

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

(ii) For transportation of paddy and rice from 0 km onward the charges are payable based on rate fixed by the District Collectors of the State or FCI's rate whichever is lower.

3. 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 godowns will be done by FCI.

4. 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 and detailed justification for each item at the earliest after the end of the season.



5. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on previous year's requisite certificates from the State Government and its agencies before release of incidentals on account of statutory charges i.e. Market Fee, RD Cess etc.

6. 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.

7. This issues with the approval of the Integrated Finance Division vide their Dy.No. 318636/FA/2014 dated 16.10.2014.

Yours faithfully,



(M. K. Gupta)

Director (FC A/Cs)

Tele: (011) 23389436

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).
7. Guard File.

Dated : 16.10.2014



(M. K. Gupta)

Director (FC A/Cs)

No. 192(14)/2014-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 2014-15 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)	1360.00	1400.00	1360.00	1400.00
2	Statutory Charges				
	(i) Market Fee @2% of MSP	27.20	28.00	27.20	28.00
	(ii) RD Cess @2% of MSP	27.20	28.00	27.20	28.00
	(iii) Infrastructure Development Cess @ 2 % of MSP (\$\$)	27.20	28.00	27.20	28.00
	(iv) VAT	*	*	*	*
3	Dami/Arhatia Charges @2.5% of MSP	34.00	35.00	34.00	35.00
4	Mandi Labour Charges	19.62	19.62	19.62	19.62
5	Driage @1% of MSP	13.60	14.00	--	--
6	Custody & Maintenance Charges (CAP) \$	-	-	-	-
7	Interest Charges for 2 months @11.83% p.a. on MSP, Statutory charges including notional VAT and Mandi labour charges #	30.20	31.07	30.20	31.07
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	34.00	35.00	34.00	35.00
10	Cost of 1 qtl. of milled paddy	1583.02	1628.69	1579.58	1624.69
11	Out turn ratio	67%	67%	68%	68%
12	Sub-Total	2362.72	2430.88	2322.68	2389.25
13	Cost of new gunny bags	85.90	85.90	85.90	85.90
14	Gunny Depreciation**	34.36	34.36	34.36	34.36
15	Cost of 1 qtl. of packed rice	2482.98	2551.14	2442.94	2509.51

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


Interest is allowed provisionally taking notional VAT @ 5% of MSP, Dami & filling and weighing charges of Rs. 15.59 per qtl.

\$ In this regard, it is stated that since paddy is kept in Punjab in joint custody with millers matter regarding allowing Custody and maintenance charges in such cases are under examination in this Department. Hence, at present no C&M Charges is being allowed in provisional cost sheet. Once a final decision is taken in the matter same will be conveyed to the State Govt and FCI accordingly.

\$\$ Subject to outcome of final decision on petitions filed by FCI in Hon'ble Supreme/High Courts in this matter.

**Gunny Depreciation is for procurement of Paddy in new gunnies.

Dated : 16.10.2014


(M. K. Gupta)
Director (FC A/Cs)