

No.192 (25)/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 the: 13<sup>th</sup> November, 2014

To,  
The Secretary,  
Food & Civil Supplies Department,  
Government of Telangana,  
Hyderabad.

Subject: Fixation of the **Provisional rates of Custom Milled Rice (CMR) (FAQ)** and the economic cost of new 50 kg. Gunny Bags used by the Government of Telangana and its agencies for the procurement of Custom Milled Rice(FAQ) for the Central Pool & for DCP scheme 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 revised **provisional rates of Custom Milled Rice (CMR) (FAQ)** and the economic cost for **Central Pool & DCP Scheme** under the price support operation to the Government of Telangana and its agencies during the Kharif Marketing Season 2014-15.

**For Central Pool Operations**

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

<u>Commodity</u>	<u>Common</u>	(Rs./qtl.) <u>Grade 'A'</u>
Raw-rice	2470.45	2538.23
Par-boiled rice	2430.60	2496.79

(For central pool stocks for transportation of rice from mills to storage godowns transportation charges beyond 8 Km onwards will be payable based on the rates fixed by the District Collectors of the State or FCI's rate, whichever is lower.

**For DCP Operations**

Economic Cost for the stocks of CMR retained by the State Government for distribution under the scheme of decentralised procurement operation ((Item wise details of the economic cost are enclosed at Annexure-II) :

<u>Commodity</u>	<u>Common</u>	(Rs./qtl.) <u>Grade 'A'</u>
Raw-rice	2722.21	2793.39
Par-boiled Rice	2679.42	2748.94

Note:

(i) This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, separate orders will be issued for the same.

2. The payment of commission to Societies will be subject to the conditions laid vide this Deptt.'s Order No. 192(4)/2003-FC A/cs. (Vol.II) 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.

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

6. 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.

7. The provisional rates/cost sheet are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agencies for 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. 319665/AS&FA/2014 dated 11.11.2014.

Yours faithfully,



(Sanjay Kumar)

Under Secretary to the Government of India

Tele: (011) 23073798

Dated: 13.11.2014.

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- Telangana, IIIrd Floor, HACA Bhavan, Appo. Public Gardens, Hyderabad-500004.
4. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10, Bahadur Shah Zafar Marg, New Delhi – 110002.
5. 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.
6. Advisor (Cost)/Director (Policy)/Director (Finance)/US (Finance). *(16/11/14)*
7. NIC to upload on website.
8. Guard File.
9. *ps to JS (16/11/14)*



(Sanjay Kumar)

Under Secretary to the Government of India

**Provisional Rates of Custom Milled Rice (FAQ) delivered to the Central Pool during the Kharif Marketing Season 2014-15 in respect of Govt. of Telangana and its agencies (For Central Pool Operations)**

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(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	<b>Minimum Support Price (MSP)</b>	1360.00	1400.00	1360.00	1400.00
2.	<b>Statutory charges</b>				
	(i)Market Fee 1% of MSP	13.60	14.00	13.60	14.00
	(ii)RD Cess@5% of MSP	68.00	70.00	68.00	70.00
	(iii)VAT	*	*	*	*
3	<b>Mandi Labour Charges (Handling Charges)</b>	4.72	4.72	4.72	4.72
4	<b>Driage @1% of MSP</b>	13.60	14.00	--	--
5	<b>Commission to Societies</b> subject to the condition that the job of Arhatiya are performed by the Societies \$	31.25	32.00	31.25	32.00
6	<b>Custody &amp; Maintenance Charges @Rs.2.40 per qtl. per month for 2 months #</b>	4.80	4.80	4.80	4.80
7	<b>Interest Charges</b> for 2 months @ 11.75% p.a. on MSP, Statutory Charges including notional VAT and Mandi labour charges**	29.66	30.52	29.66	30.52
8	<b>Milling Charges</b> including transportation charges upto 8 kms on each side from mills for paddy as well as rice.	15.00	15.00	25.00	25.00
9	<b>Administration charges @ 2.5% of MSP</b> for central pool stocks only	34.00	35.00	34.00	35.00
10	<b>Cost of 1 qtl. of milled paddy</b>	1574.63	1620.04	1571.03	1616.04
11	Out turn ratio	67%	67%	68%	68%
12	<b>Sub-Total</b>	<b>2350.19</b>	<b>2417.97</b>	<b>2310.34</b>	<b>2376.53</b>
13	Cost of new gunny bags	85.90	85.90	85.90	85.90
14	Gunny Depreciation for new gunnies	34.36	34.36	34.36	34.36
15	<b>Cost of 1 qtl. Of rice</b>	<b>2470.45</b>	<b>2538.23</b>	<b>2430.60</b>	<b>2496.79</b>


\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

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

\*\*Interest rate as claimed by State Govt. Notional VAT @5% of MSP has been taken to work out interest amount.

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

Dated: 13.11.2014.

  
(Sanjay Kumar)

Under Secretary to the Government of India

Government of India

Department of Food and Public Distribution

**Provisional Economic cost of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2014-15 in respect of Government of Telangana and its agencies**

S. No.	Item of incidentals	(Rs./qtl)			
		Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	<b>Minimum Support Price (MSP)</b>	1360.00	1400.00	1360.00	1400.00
2	<b>Statutory charges</b>				
	(i)Market Fee 1% of MSP	13.60	14.00	13.60	14.00
	(ii)RD Cess @ 5% of MSP	68.00	70.00	68.00	70.00
	(ii)VAT @ 5%	*	*	*	*
3	<b>Mandi Labour Charges (Handling Charges)</b>	4.72	4.72	4.72	4.72
4	<b>Transportation charges</b> for transportation of paddy & rice from purchase centre to temporary storage point beyond 8 kms	42.97	42.97	42.97	42.97
5	<b>Driage @1% of MSP</b>	13.60	14.00	--	--
6	<b>Commission to Societies \$</b>	31.25	32.00	31.25	32.00
7	<b>Custody &amp; Maintenance Charges @Rs.2.40 per qtl. per month for 2 months #</b>	4.80	4.80	4.80	4.80
8.	<b>Interest Charges</b> for 2 months @ 11.75% p.a. on MSP, Statutory Charges including notional VAT and Mandi labour charges**	29.66	30.52	29.66	30.52
9	<b>Milling Charges</b> including transportation charges upto 8 kms on each side from mills for paddy as well as rice.	15.00	15.00	25.00	25.00
10	<b>Administration charges @ 1% of MSP</b>	13.60	14.00	13.60	14.00
11	<b>Cost of 1 qtl. of milled paddy</b>	<b>1597.20</b>	<b>1642.01</b>	<b>1593.60</b>	<b>1638.01</b>
12	Out turn ratio	67%	67%	68%	68%
13	<b>Sub-Total</b>	<b>2383.88</b>	<b>2450.76</b>	<b>2343.53</b>	<b>2408.84</b>
14	Cost of new gunny bags	85.90	85.90	85.90	85.90
15	Gunny Depreciation for new gunnies	34.36	34.36	34.36	34.36
16	<b>Acquisition Cost of 1 qtl. Of rice</b>	<b>2504.14</b>	<b>2571.02</b>	<b>2463.79</b>	<b>2529.10</b>

\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

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

\*\*Interest rate as claimed by State Govt. Notional VAT @5% of MSP has been taken to work out interest amount.

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

Dated: 13.11.2014.

(Sanjay Kumar)

Under Secretary to the Government of India

No.192 (25)/2014-FC.A/Cs.

Government of India

Department of Food and Public Distribution

**Provisional Economic Cost of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2014-15 in respect of Government of Telangana and its agencies**

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S. No.	Item of incidentals	(Rs./qtl)			
		Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
<b>A. ACQUISITION COST</b>					
1	Cost of CMR	2504.14	2571.02	2463.79	2529.10
<b>B. DISTRIBUTION COST</b>					
2	Storage charges @ Rs.6.14 per qtl. per month for 4 months (covered)	24.56	24.56	24.56	24.56
3	Transportation and Handling charges	38.08	38.08	38.08	38.08
4	Interest Charges @ 11.75% p.a. for 4 months on acquisition cost minus interest.	96.34	98.91	94.79	97.30
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and gunny depreciation.	8.34	8.58	8.20	8.43
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice or actuals which ever is less for the quantity retained by the State Government for distribution under PDS.	50.75	52.24	50.00	51.47
7	<b>Total Distribution Cost</b>	<b>218.07</b>	<b>222.37</b>	<b>215.63</b>	<b>219.84</b>
<b>C ECONOMIC COST OF CMR</b>					
8	Acquisition cost + Distribution cost (A+B)	2722.21	2793.39	2679.42	2748.94

Note: The Food Secretary of the State is required to give a certificate that the CMR has been kept under covered storage.

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

Dated: 13.11.2014.

(Sanjay Kumar)  
Under Secretary to the Government of India