

**No. 192(16)/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: 22<sup>nd</sup> January, 2015

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

**Subject:** Fixation of **Provisional** rates and economic cost 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 procurement of Custom Milled Rice for the Central Pool during the Kharif Marketing Season **2014-15**.

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** economic cost of paddy and rice procured **Under Relaxed Specification (URS)** as per specifications issued vide this Deptt.'s letter No.8-1/2014-S&I dated 16.12.2014 under the price support operation to the Government of Uttar Pradesh and its agencies during the **KMS 2014-15**.

(item wise details of economic cost are enclosed at Annexure)

**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>(₹./qtl)</u> <u>Grade-A</u>
Raw-rice	2306.44	2369.33

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 26.7.2013.

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

(iii) 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.**

(iv) Transportation 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.



4. Milling charges have been allowed @₹10 per qtl, for raw and ₹ 20 per qtl. for par-boiled rice excluding transportation charges upto 8 kms. on each side from purchase center to mill and from mill to FCI godowns on paddy as well as rice.
5. The Custom Milled Rice obtained out of URS paddy would be consumed within the states itself.
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 and detailed justification for each item at the earliest after the end of the season.
7. These rates will be applicable for KMS 2014-15. 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 (Pilibhit revenue District only), Shahjahanpur, Sitapur, Allahabad, Lucknow, Gorakhpur, Faizabad, Gonda, Varanasi and Azamgarh inUttar Pradesh.
8. 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.
9. This issues with the approval of the Integrated Finance Division vide their Dy. No318709/FA/2015 dated 21.1.2015.

Dated: 22.1.2015

Yours faithfully,



(Sanjay Kumar)

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 Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10 Bahadur Shah Zafar Marg, New Delhi.
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. PS to JS (P&FCI)/JD (Cost)/Director (FC A/cs)/Director (PyII)/DS (Finance)/US (Finance).
7. Guard File.



(Sanjay Kumar)

Under Secretary to the Government of India

**Under Relaxed Specifications (URS)**

No,192(16)/2014-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 2014-15 in respect of Government of Uttar Pradesh and its agencies**

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(₹/qtl.)

S. No.	Item of incidentals	Raw Rice	
		Common	Grade-A
	<b>Minimum Support Price (MSP)</b>	<b>1360.00</b>	<b>1400.00</b>
	Value cut on MSP@2%	27.20	28.00
1	<b>Effective MSP after value cut of 2%</b>	<b>1332.80</b>	<b>1372.00</b>
2	<b>Statutory Charges:</b>		
	(i) Market Fee @2.5% of MSP	33.32	34.30
	(ii) VAT @4% of MSP \$	-	-
3	<b>Mandi Labour Charges</b>	11.00	11.00
4	<b>Driage @1% of MSP</b>	13.33	13.72
5	<b>Commission to Societies *</b>	31.25	32.00
6	<b>Custody &amp; Maintenance Charges (CAP) @₹ 2.40 per qtl. per month for 2 months #</b>	4.80	4.80
7	<b>Interest Charges for 2 months @11.79% p.a. on MSP, statutory charges and Mandi labour charges^</b>	28.11	28.93
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>1464.61</b>	<b>1506.75</b>
10	<b>Out turn ratio</b>	67%	67%
11	<b>Sub-Total</b>	<b>2185.99</b>	<b>2248.88</b>
12	<b>Cost of gunny bags ^^</b>	84.98	84.98
13	<b>Internal transportation of gunnies</b>	1.48	1.48
14	<b>Gunny Depreciation for new gunnies ***</b>	33.99	33.99
15	<b>Cost of 1 qtl. of rice</b>	<b>2306.44</b>	<b>2369.33</b>

- (1) \$ VAT as applicable at every stage will be payable as per the relevant legal provisions.  
(2) \*Subject to condition laid down vide letter No. 192(4)/2003-FC A/Cs (Vol.II) dated 26.07.2013  
(3) # Custody and maintenance charges would be released on production of a certificate by the State Government that these charges have been incurred by it.  
(4) ^Interest is allowed provisionally taking notional VAT of MSP @4%.  
(5) ^^ Includes branding charges, safety stitch, cess, education cess, CST, inspection charges, development charges, terminal charges, interest and railway freight. In case HDPE/PP bags are used for procurement, rates of HDPE/PP bags would be fixed later.  
(6) \*\*\* Gunny depreciation is for procurement of paddy in new gunny bags.

Dated: 22.1.2015



(Sanjay Kumar)

Under Secretary to the Government of India