

No. 192(15)/2016-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: 04th October, 2016

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 **2016-17**.

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 2016-17; 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	2738.39	2806.49
Par-boiled rice	2693.48	2760.58

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 procurement of paddy in new gunny bags only.

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

(i) Since CCL is now being directly sanctioned to the State Government, no Guarantee Fee is being allowed for KMS 2016-17.

(ii) For transportation of paddy and rice from 0 km onward, the transportation 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 up to 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 along with 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. 331608/AS & FA/2016 dated 04.10.2016.

Yours faithfully,

(Abhay Kumar)

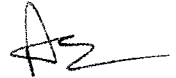
Under Secretary to the Govt. of India

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-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. PS to Principal Advisor (Cost)/Director (FC A/cs)/Director (Cost)/US (Finance- 1).
7. PS to JS (P&FCI).
8. Guard File.

Dated : 04.10.2016



(Abhay Kumar)

Under Secretary to the Govt. of India

No. 192(15)/2016-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 2016-17 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)	1470.00	1510.00	1470.00	1510.00
2	Statutory Charges				
	(i) Market Fee @2% of MSP	29.40	30.20	29.40	30.20
	(ii) RD Cess @2% of MSP	29.40	30.20	29.40	30.20
	(iii) Infrastructure Development Cess @ 3 % of MSP	44.10	45.30	44.10	45.30
	(iv) VAT *	*	*	*	*
3	Dami/Arhatia Charges @2.5% of MSP	36.75	37.75	36.75	37.75
4	Mandi Labour Charges ^	29.16	29.16	29.16	29.16
5	Driage @1% of MSP	14.70	14.70	--	--
6	Custody & Maintenance Charges (CAP) \$	-	-	-	-
7	Interest Charges for 2 months @11.01% p.a. on MSP, Statutory charges including notional VAT and Mandi labour charges #	30.79	31.62	30.79	31.62
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	36.75	37.75	36.75	37.75
10	Cost of 1 qtl. of milled paddy	1731.05	1776.68	1726.35	1771.98
11	Out turn ratio	67%	67%	68%	68%
12	Sub-Total	2583.66	2651.76	2538.75	2605.85
13	Cost of new gunny bags	112.12	112.12	112.12	112.12
14	Gunny Depreciation**	42.61	42.61	42.61	42.61
15	Cost of 1 qtl. of packed rice	2738.39	2806.49	2693.48	2760.58

* 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.15.60 per qtl., subject to the partial amendment in Principle as per the order issued by this Department vide letter no.192(4)/2003-FC A/Cs (Vol.III) dated 05.11.2015 and 12.11.2015.

\$ In this regard, it is stated that since paddy is kept in Punjab in joint custody with millers, the payment of C&M charges will be made by FCI as per the order issued by this Department vide letter dated 21.11.2014, 26.12.2014 and 04.09.2015.

**Gunny Depreciation is for procurement of Paddy in new gunnies, subject to partial amendment in Principle as per the order issued by this Department vide letter no. 192(3)/2014-FC A/Cs dated 18.12.2015.

^ Mandi Labour Charges have been computed as per the amendment made in Principle of Mandi Labour Charges vide letter no. 192(12)/2016-FC A/Cs dated 21.09.2016

Dated: 04.10.2016



(Abhay Kumar)

Under Secretary to the Govt. of India