

No. 192(27)/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: 14th October, 2016

To,

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

Subject: Fixation of **Provisional** rates of **Custom Milled Rice (CMR)(FAQ)** and cost of new 50 kg. Gunny Bags used by the Government of Uttar Pradesh 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 refer to above subject and to convey the approval of the Government of India for payment of the following **Provisional** rates of Custom Milled Rice (CMR) (FAQ) to be delivered to FCI for Central Pool under the price support operation to the Government of Uttar Pradesh and its agencies during the Kharif Marketing Season **2016-17**.

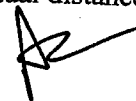
For Central Pool Operations:

- (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>(Rs/ql)</u>
		<u>Grade 'A'</u>
Raw-rice	2549.02	2613.09
Par-boiled rice	2505.79	2568.33

Note:

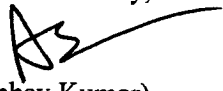
- (i) **This costing is for procurement of paddy in new gunny bags only.**
- (ii) **Since VAT Act has been implemented in the State, in addition to the above, VAT, as applicable, will be payable as per the relevant provisions of the ACT.**
2. The payment of commission to Societies will be subject to 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.
- (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.



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 50 kg bags only, in its local godowns upto the scale point and the stacking in the 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. The States who have not submitted finalization claims within four years of commencement of marketing season, only MSP, Statutory taxes, gunny charge will be given at prevailing rates. Indexation of other incidentals has been frozen upto KMS 2015-16 levels.
7. 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.
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. This issues with the approval of the Integrated Finance Division vide their Dy.No. 331662/AS&FA/2016 dated 14.10.2016

Dated: 14.10.2016

Yours faithfully,


(Abhay Kumar)

Under Secretary to the Government of India
Tele: (011) 2307379

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, 1st 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, 2nd 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.

Provisional Rates of Custom Milled Rice (FAQ) delivered to FCI for Central Pool during the Kharif Marketing Season 2016-17 in respect of Government of Uttar Pradesh 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 @2.5% of MSP	36.75	37.75	36.75	37.75
	(ii) VAT @4% of MSP !	-	-	-	-
3	Mandi Labour Charges++	7.54	7.54	7.54	7.54
4	Driage @1% of MSP	14.70	15.10	-	-
5	Commission to Societies \$	31.25	32.00	31.25	32.00
6	Custody & Maintenance Charges (CAP) @Rs2.40 per qtl. per month for 2 months #	4.80	4.80	4.80	4.80
7	Interest Charges for 2 months @11.01% p.a. on MSP, Statutory charges and Mandi labour charges ^	28.86	29.64	28.86	29.64
8	Milling Charges excluding transportation charges within a distance of 8 kms from the mill on paddy as well as rice.	10.00	10.00	20.00	20.00
9	Cost of 1 qtl. of milled paddy	1603.90	1646.83	1599.20	1641.73
10	Out turn ratio	67%	67%	68%	68%
11	Sub-Total	2393.88	2457.95	2351.76	2414.30
12	Cost of new gunnies (Jute Bags) \$\$	116.76	116.76	116.76	116.76
14	Gunny Depreciation for new gunnies (Jute Bags) **	38.38	38.38	37.27	37.27
15	Cost of 1 qtl. of packed rice	2549.02	2613.09	2505.79	2568.33

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

\$ 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. This cost is applicable for the quantity procured through societies.

\$\$ 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. Depreciation is being allowed as per the practice followed by the state, subject to partial amendment in Principle vide Dept. letter no.192(3)/2014-FC A/Cs dated 18.12.2015

! 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, and as per the partial amendment in Principle made 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.

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

Dated: 14.10.2016


(Abhay Kumar)

Under Secretary to Govt of India