

BY FAX/POST

GOVERNMENT OF ODISHA
FOOD SUPPLIES & CONSUMER WELFARE DEPARTMENT

No. 20609 / Bhubaneswar dated the 24.10.16
09611800292016

From

Shri Bijay Kumar Prusty, O.A.S. Gr 'A' (SB)
Deputy Secretary to Govt.

To

The Managing Director, OSCSC Ltd., Bhubaneswar
The Managing Director, MARKFED, Bhubaneswar
The Managing Director, TDCC, Bhubaneswar
The Branch Manager, NAFED, Bhubaneswar
The State Manager, NACOF, Bhubaneswar

Sub: Restricting indexation of incidentals upto KMS 2015-16 level in
Provisional Cost Sheet (PCS) of KMS 2016-17 only- regarding

Sir,

I am directed to send herewith copy of letter No. No.199(5)/2016-FC
A/cs dated 03-10-2016 of Director, Ministry of Consumer Affairs, Food and
Public Distribution, Department of Food and Public Distribution, New Delhi on
the subject mentioned above.

Government of India has decided that while issuing Provisional Cost
Sheet of KMS 2016-17, components of MSP, statutory taxes and gunny
charges only will be allowed as per Principles Of Procurement Incidentals
(PPI). For remaining incidentals, indexation benefit as per PPI will be
restricted up to KMS 2015-16 levels.

I would therefore request you to submit your feedback on implications
of GoI decision to this Department immediately for taking further action at
this level.

Yours faithfully,


24.10.16
Deputy Secretary to Govt.



No. 199(5)/2016-FC A/cs
Government of India
Ministry of Consumer Affairs, Food & PD
Department of Food & PD

DS (316)

Krishi Bhawan, New Delhi
Dated the 3rd October, 2016

To,
The Principal Secretary/Secretary,
Food & Civil Supplies Department,
Government of Assam, Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana,
Jharkhand, Kerala, Karnataka, Maharashtra, Odisha, Punjab, Rajasthan, Telangana,
Tamil Nadu, Uttar Pradesh, Uttarakhand, West Bengal

Subject: Restricting indexation of incidentals upto KMS 2015-16 level in Provisional Cost Sheet (PCS) of KMS 2016-17 only- regarding

Sir,

I am directed to refer to the principles related with timely finalization of provisional cost by State Governments towards procurement expenses in particular marketing season by which State Governments are required to submit their audited accounts for finalisation after the end of each marketing season and in any case, not later than 12 months from the end of financial year in which the season has ended. This timeline is informed to the States through each provisional cost sheet issued by this Department regularly. Despite this, it has been observed that some of the States are lagging even in submission of audited accounts for finalization within the stipulated time frame.

2. As per Principles of Procurement Incidentals (PPI), provisional rates for incidentals for current marketing season are calculated based on indexation of the last final or provisional rate of particular marketing season for a State. Till now, indexation upto current year is allowed to all States uniformly without any differentiation between States submitting accounts for finalization in time or late. This Department has been requesting State Governments for submission of audited accounts for timely finalization. However, finalization of accounts has been inordinately delayed by some of the States which may be due to higher rates allowed at provisional stage as compared to actual expenses. Late submission of accounts affects the entire process cycle of finalisation and delays submission of old requisite documents, bills etc. for finalization.

3. With a view to streamline the finalization of accounts by lagging States, it has been decided that while issuing PCS of KMS 2016-17, components of MSP, statutory taxes and gunny charges only will be allowed as per PPI. For remaining incidentals, indexation benefit as per PPI will be restricted upto KMS 2015-16 levels.

4. This restriction will be applicable on those States only, who have not submitted their claims with audited accounts to this Department upto KMS 2012-13.

5. All terms and conditions of the PPI remain the same. All lagging State Governments are, therefore, requested to expedite submission of their claims for finalization of accounts at the earliest.

6. This issues with the approval of the competent authority.

Yours sincerely,

(M.K. Gupta)
Director

Tel.No. 23389436

Copy to:-

1. CMD, FCI, New Delhi
2. PPS to Secy. (F&PD)/PPS to AS&FA/PS to JS(P&FCI)
3. Pr. Advisor(Cost)
4. Director(Policy)/Director(Finance)/Director(FCI)/US(Policy-III)/
5. Policy-I/Policy-III/Guard File

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