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ODISHA STATE CIVIL SUPPLIES CORPORATION LTD
C/2, NAYAPALLI, BHUBANESWAR-12

File No. Acct/Comp/Dpc-1/15-16 No. 20633 Date 07.12.16

From

Niranjan Nayak, OAS (SAG)
Managing Director

To

All CSO cum District Managers
OSCSC Ltd.

Sub: Payment of VAT on cost of Gunny bags supplied by miller- KMS 2015-16.

Ref: This office letter No-18804 dt. 01.11.2016.

Sir,

With reference to the subject & letters cited above, I am to say that due to change in specifications of new b.twil gunny bags required for packing of CMR by GoI, there was some dislocation in delivery of CMR in the gunny bags supplied by OSCSC for KMS 2015-16 through DGS&D. Since FCI initially did not accept the quality of gunny bags supplied through DGS&D, the custom millers of your district were allowed to use their own procured gunny bales for delivery of CMR. It was instructed to release the cost of gunny bags @ Rs 91.94 per two bags for one quintal of CMR delivered. Millers of your district have represented for payment of VAT in addition to cost of bags for CMR delivered at FCI for gunny bags supplied by the millers.

It has been decided to release the VAT on gunny bags to the millers for the number of bags used for delivery of rice to FCI only for KMS: 2015-16. The following guidelines is issued for payment to miller.

1. The millers should have raised tax invoice on gunny cost supplied by them to the District Manager. VAT @ Rs.2.29 per bag or Rs.4.59 for two bags or VAT amount as per VAT Invoice whichever is lower may be paid to the miller for the quantity of CMR delivered to FCI. The miller should incorporate supply of gunny bags in Registration Certificate if not included in Registration Certificate. A copy of Original Registration Certificate/ Ammended Registration Certificate shall be kept for record purpose.
2. The number of bags supplied by miller that have been used for delivery of CMR to FCI is not exactly ascertainable. Hence gunny bags supplied by miller for packing of rice delivered to FCI should be calculated in the ratio of CMR delivered to FCI & RRC. For example, if a miller has delivered CMR to FCI @ 40% of total CMR delivered, then 40% of the total number of gunny supplied by the miller shall be considered as delivered to FCI.

P.T.O.

3. The miller shall give a declaration that he has deposited the VAT amount as claimed in the VAT Invoice & filed return to the Commercial Tax Department within due date.
4. The millers who have not indicated VAT amount separately but shown cost of gunny bags including VAT in the VAT Invoice, are to be asked to declare the VAT amount included in the cost of bags and to submit copies of return to the Commercial Tax Department.

You are requested to calculate the VAT Amount to be paid to the miller as per procedure above, for each individual millers, who have supplied new gunny bags for packing of CMR & delivery at FCI and release the VAT amount to them. Funds required, may be requisitioned to the office.

It is also instructed to intimate this office immediately the amount payable to the millers on account of VAT for claiming Input VAT centrally at OSCSC Head office.

Yours faithfully

 6.12.16
Managing Director