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

File No. Acct/Comp/SPC-1/17-18 No. 12026 Date 20-07-18

From

Saroj Kumar Samal, OAS (SAG),
Managing Director

To

Shri Manoj Kumar Gupta, Director (FC A/cs),
Ministry of Consumer Affairs, Food & Public Distribution,
Department of Food & Public Distribution,
Government of India, Krishi Bhawan,
New Delhi.

Sub: Provision to reimburse GST charges on certain Procurement Incidentals.

Ref: 1. Letter No.7559 dt.13.04.2018 of Commissioner-cum-Secretary, FS & CW Deptt. addressed to Joint Secretary (P&FCI), DOF&PD, GoI.
2. Letter (DO) No.4371 dt.27.02.2018 of Commissioner-cum-Secretary, FS & CW Deptt. addressed to Secretary to Govt. of India, DOF&PD.

Sir,

This is regarding reimbursement of GST on milling charges on paddy. As per Circular No.19/19/2017-GST dt.20.11.2017 issued by Tax Research Unit, Department of Revenue, Ministry of Finance, Govt. of India, milling of paddy into rice on job work basis is a taxable service under GST. But in the Provisional Economic Costing on CMR issued by your department for the KMS 2017-18 there is no provision for reimbursement of GST on milling charges as per the rates applicable. State Govt. FS & CW Deptt. has already requested your Department vide letter No.7559 dt.13.04.2018 addressed to Joint Secretary (P&FCI) to make provision for reimbursement of GST on milling charges in the Provisional Costing Sheet.

The Office of Commissionerate of CT and GST, Odisha, Under Finance Department, Govt. of Odisha in their letter No.10187 dt.09.07.2018 have clarified in clear terms that Rice Millers are liable to pay GST on Custom Milling Charges and non compliance of provisions of GST would attract penal actions. Copy of the letter of Commissionerate CT & GST is enclosed. Under the said circumstances it has been decided to reimburse GST @ 5% on the milling charges being paid to the millers for custom milling of paddy of OSCSC.

P.T.O.

In view of above, it is requested that GST on milling charges may be provided for in the revised costing sheet and State Procuring Agencies allowed to reimburse the GST levied for KMS 2017-18 to facilitate smooth paddy procurement operations in the State.

Yours faithfully,


Managing Director

Memo No. 12027 Date 20.07.18.

Copy submitted to the Commissioner-cum-Secretary, FS & CW Deptt., Govt. of Odisha, Bhubaneswar for information.


Managing Director