

RTI - Urgent

By Regd. Post

GOVERNMENT OF ODISHA
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

No. 19660 / Bhubaneswar, dated 16.12.19.
FSCW-PL-RTI-0009-2019

From

Shri Sovan Sahoo
Under Secretary to Govt.

To

Shri. Santosh Kumar Agrawal
S/O- Late P.D Agrawal
C/o-Shree Hanuman Rice Mill,
P.O.-Chandbali,
Dist-Bhadrak, 756133

Sub: *Supply of information as per your RTI application dated 02.12.2019.*

Sir,

I am directed to send herewith the required information as sought for in your RTI application which is related to Procurement & Levy Section.

Accordingly your RTI application dt.2.12.2019 has been disposed off as far as this section is concerned.

Yours faithfully,

Under Secretary to Govt. & PIO
(P&L Section)

By Regd.Post

Memo No. 19661 / Dated 16.12.19.

Copy forwarded to RTI cell, F.S & C.W Deptt. for information and necessary action with reference to their letter No.18816 dated 3.12.2019.

Under Secretary to Govt. & PIO

(P&L Section)



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD
C/2, NAYAPALLI, BHUBANESWAR-751012

No. 482/MD Dated 17/11/2018

From

Saroj Kumar Samal, OAS
Managing Director

To

The Commissioner- cum-Secretary to Govt.
FS & CW Department, Govt. of Odisha,
Bhubaneswar.

Sub: Proposal for revision in the cost of transportation both in Paddy and Rice payable to Millers.

Sir,

Odisha State Civil Supplies Corporation while undertaking procurement of paddy and production of CMR is required to reimburse the expenditure incurred on transportation of Paddy from Mandi to Mill point and CMR from Mill to RRC/ FCI depot at agreed rates. The corporation having no facility of own has entrusted this to Millers qualifying their participation with standard riders. The transportation both to and fro is also entrusted to them. The cost of transportation on paddy was re-fixed last in 2015-16. Further of TC on rice had been revised in the year 2014-15. The table given below presents a narrative on periodic revisions showing percentage of rise.

Year	Paddy				Rice			
	Rate for 1st 10 Km	Rate for subsequent Km	Increase in %		Rate for 1st 10 Km	Rate for subsequent Km	Increase in %	
			1st 10 Km	Subsequent distance			1st 10 Km	Subsequent distance
2009-10 to 2011-12	7.00	0.35	0.00	0.00	7.00	0.35	-	-
2012-13 to 2013-14	12.50	0.50	78.57	42.86	12.50	0.50	78.57	42.86
2014-15	15.00	0.50	20.00	0.00	15.00	0.50	20.00	0.00
2015-16 to 2016-17	18.00	0.50	20.00	0.00	15.00	0.50	No revision	No revision

The Rice Millers Association has been presenting and in-fact pressing persistently for appreciation in the transportation cost. The increase was generally biennial except in 2014-15 when it became annual by increase of Rs.2.50 paise only in paddy and equal the amount in rice. The enhancement was allowed in case of paddy only in 2015-16 i.e. from Rs.15.00 to Rs.18.00 whereas no further rise had been allowed in regard to rice after 2014-15. On the other hand rates of transportation discovered by FCI after open tender for end to end movement in the second half of the calendar year 2018 are seen to be tangibly higher than the rates in prevalence at our end. Further inflation in the cost of diesel since

JS (Prusty)
Kindly put up.
17/11/18

October 2015 has been meteoric i.e. from Rs.48.21 to Rs.80.30 per litre. The in house committee of Odisha State Civil Supplies Corporation which conducted a diligent appraisal of this increasing trend of the cost of POL arrived at a quantified effect in the form of Rs.0.09 per quintal per km to apply to the transportation cost of the paddy with reference to the prevalent cost of 2015. Besides consumption of fuel is not the only determinant of cost appreciation. There are other factors i.e. labour cost, vehicle higher charge, maintenance and other incidentals which are generally factored into Consumers Price Index. Notified CPI of September 2018 is 148 showing an increase of more than 20 points compared to September 2015. In OSCSC we have decided to keep the rate of increase in CPI as the base and the quantified appreciation in P.oil as the top-up, since in general P.oil price remains outside the ambit of CPI. After having a through and tool based exercise the corporation suggest a 25% rise in the TC of both paddy and rice for first 10 km (flat) and 20% for every additional km upto 40kms for the year 2018-19. As regards 2017-18 the enhancement for paddy pertaining to first 10 km (flat) is proposed to be about 11% and between 11 and 40 the rise is suggested to be 10%. However the proposal of escalation for rice pertaining to 2017-18 is uniformly 10%. No revision is proposed for distance beyond 40 kms. The following table gives a detailed account of the suggested rates.

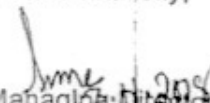
KMS 2017-18 Subsequent Distance	1 st 10 Kms (flat)	% of increase compare to existing rate	11 to 40 Kms (p.q./km)	% of increase compare to existing rate
Paddy				
Existing Rate	18.00		0.50	
For KMS 2017-18	20.00	11.11	0.55	10
For KMS 2018-19	22.50	25	0.60	20
Rice				
Existing Rate	15.00		0.50	
For KMS 2017-18	16.50	10	0.55	10
For KMS 2018-19	18.75	25	0.60	20

A copy of the minuted proceeding of the in house committee of OSCSC is attached for useful reference. The proposed revision has received the approval of Board of Directors of OSCSC in the 183rd meeting of Board of Directors held on 15.11.2018.

The proposal may be approved and early communication is requested looking at smooth commencement of procurement in KMS 2018-19.

Encl: As above

Yours faithfully,


Managing Director



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

OSCSC Ltd.
Corporate Office

Proceeding of the Meeting of the Committee for recommending rates for transportation of Paddy & Custom Milled Rice by the millers held on 12.09.2018 at OSCSC Head Office.

In pursuance to Office Order No.11861 dt.18.07.2018 a committee has been constituted to study the transportation charges being incurred on paddy & rice vis-à-vis the rates of transportation allowed by OSCSC on paddy procurement operation for the KMS 2017-18. The committee under the Chairmanship of FA & CAO, OSCSC Ltd met on 12.09.2018. Following members were present in the meeting.

- | | | |
|------|---|-----------------|
| i) | Sri Kamrup Mahanandia, OFS (SAG), Director,
FA & CAO, OSCSC Ltd. | Chairman |
| ii) | Sri Dharendra Kumar Sahoo, Addl. Director,
FS & CW Deptt. | Member |
| iii) | General Manager (Procurement) OSCSC Ltd. | Member |
| iv) | General Manager (PDS), OSCSC Ltd. | Member |
| v) | General Manager (Accounts), OSCSC Ltd. | Convenor Member |
| vi) | Sri Santosh Kumar. Agrawal, Chairman, AORMA | Member |

Representative from FCI, Regional Office did not attend.

- General Manager (Accounts) placed the rates of transportation charges on paddy & rice allowed to custom millers for lifting of paddy from mandi and for delivery of rice at RRC/FCI before the committee, as summarised below. The transportation rates prior to KMS 2009-10 was Rs.0.35 p.q./Km for paddy and Rs.0.235 p.q./Km for Rice, both for distance beyond 1st 8 kms of distance. From KMS 2009-10, GoI, in the Provisional Economic Costing fixed the transportation cost from 0 Km.

Statement of Revisional TC on Paddy					Statement of Revisional TC on Rice			
Year	Rate for 1st 10 Km	Rate for subsequent Km	Increase in %		Rate for 1st 10 Km	Rate for subsequent Km	Increase in %	
			1st 10 Km	Subsequent distance			1st 10 Km	Subsequent distance
2009-10 to 2011-12	7.00	0.35	0.00	0.00	7.00	0.35	-	-
2012-13 to 2013-14	12.50	0.50	78.57	42.86	12.50	0.50	78.57	42.86
2014-15	15.00	0.50	20.00	0.00	15.00	0.50	20.00	0.00
2015-16 to 2016-17	18.00	0.50	20.00	0.00	15.00	0.50	No revision	No revision

Contd....

2. The cost of transportation of paddy & rice vis-a-vis transportation charges allowed in PCS of Govt. Of India for last 4 KMS was examined by the committee. The position is as below.

KMS	PCS Rate		Actual Expenditure (OSCSC)		Lead Distance	
	Paddy	Rice	Paddy	Rice	Paddy	Rice
2013-14	34.20	13.44	23.42	21.84	33.00	23.00
2014-15	34.20	13.44	26.12	22.90	34.00	24.00
2015-16	34.20	13.44	30.51	22.92	38.00	26.00
2016-17	36.18	13.44	28.11	23.11	38.00	28.00

3. The Chairman, AORMA in his letter dt.12.09.2018 placed before the committee submitted that because of rise in price of diesel by 30.34%, rising in operating cost of vehicles and also rise in cost of new vehicles, the transportation rates for paddy and rice should be revised to Rs.27/- per quintal flat for 1st 10 Kms and @ 0.75 paisa/ per km per quintal for distance beyond 10 kms upto 40 kms and @ 0.60 paisa per quintal per km for subsequent distance from 41 kms. The copy of the letter of AORMA is attached.
4. The committee further received the rates finalised by FCI recently for transportation of rice from their depot to Railway siding/ other RRC. These rates were finalised through tender process. The rates so finalised by FCI was compared with the present rates of OSCSC and tabulated below.

Sl. No.	Distance	FCI Rate p.q. (Flat)	OSCSC Rate p.q.	FCI Rate p.q./Km	OSCSC Average Rate p.q./Km	Difference in %	Period of Contract (FCI)
1	2	3	4	5=3/2	6=4/2	7	8
1	53	43.56	38.00	0.820	0.716	-14.525	07.09.2018 to 06.09.2020
2	62	60.20	41.80	1.020	0.699	-45.923	06.08.2018 to 05.08.2020
3	130	97.37	69.00	0.749	0.53	-41.321	18.06.2018 to 17.06.2020
4	145	89.61	75.00	0.618	0.517	-19.536	28.05.2018 to 27.05.2020
			Avg Rate	0.802	0.620		
			Diff. In %	30%			
1	1	17.50	18.00	0.000	0.000	0.000	05.06.2018 to 04.06.2020
2	3	15.66	18.00	0.000	0.000	0.000	24.09.2018 to 23.09.2020
3	4	13.41	18.00	0.000	0.000	103.230	15.06.2018 to 14.06.2020
4	312	120.74	138.80	0.386	0.444	18.060	08.05.2018 to 07.05.2020

The rates of FCI finalised recently was for distance within & beyond 10 kms. The average rate of FCI is Rs.0.802 p.q./per Km for distance rate up to 135 Kms whereas that of existing rate of OSCSC is Rs.0.620 p.q./Per Km which is more by 30%. The rates of FCI finalised for 312 kms was not considered since such distance is not comparable to the average lead distance covered by the millers for carrying paddy & rice. There is no rate of FCI for 0 to 10 kms flat and hence not comparable with the rates of FCI.

5. The committee further considered the rise in cost of diesel. The price of diesel was Rs.48.21 per litre in October 2015 i.e. at the beginning of KMS 2015-16 and the price of diesel as on September 2017 & September 2018 was Rs.63.03/Rs.80.30 per litre respectively.

- i) Cost of diesel in the month of October 2015 Rs.48.21 per litre.
- ii) Cost of diesel in the month of September 2017 Rs.63.03 per litre.
- iii) Cost of diesel in the month of October 2018 Rs.80.30 per litre.

6. As per data available from websites it is derived that a vehicle of 10 MT capacities covers 3.5 Kms in one litre of diesel. The print out of the data from website www is attached at Annexure-III. Accordingly, the effect of rise in cost of diesel to transportation cost considering October 2015 as the base month, than derived below.

Rise in cost as on September 2017/Oct 2018	Rs.14.82/Rs.32.09 per litre
Effect of rise in diesel price for 1 km for 10 MT	Rs.4.23/Rs.9.17 per litre.
Effect of increase of diesel per quintal/Km	Rs.0.04/0.09

7. The committee also took into consideration the All India Combined Consumer Price Index published by Ministry of Statistics and Programme implementation, Govt. Of India for transport (Bus & tram fare) for the period from October 2015 to September 2018. The copy of the publication is attached at Annexure - I.

The transportation rates fixed for the KMS 2015-16 was considered as base year and this rate was indexed by applying CPI to arrive at the rates of KMS 2017-18 and KMS 2018-19.

CPI for the month	September 2015	128.40
CPI for the month	September 2017	133.80
CPI for the month	September 2018	148.00

The average lead distance for Paddy & Rice was 34 Kms & 28 Kms for KMS 2016-17. Considering the impact of rise in price of cost of diesel and combined consumer price index, transportation rates were derived for KMS 2017-18 and 2018-19 as below for average lead distance of 34 Kms for Paddy and 28 kms for Rice.

Transportation particulars		Paddy For 34 Kms	Rice For 28 Kms
Existing rates of Transportation as fixed in KMS 2015-16		Rs.30.00	Rs.24.00
KMS 2017-18	Transportation Rates		
	i) Effect of rise in cost of diesel @ 0.04/Km/Qtl.	Rs. 1.36	Rs. 1.12
	ii) Effect of indexation	Rs.31.26	Rs.25.00
	Total	Rs.32.62	Rs.26.12
KMS 2018-19	Transportation Rates		
	i) Effect of rise in cost of diesel @ 0.09/Km/Qtl.	Rs. 3.06	Rs. 2.52
	ii) Effect of indexation	Rs.34.58	Rs.27.66
	Total	Rs.37.64	Rs.30.18

Considering the above indexed rates arrived, the transportation rates for different slabs has been recommend as given below –

KMS 2017-18 Subsequent Distance	1 st 10 Kms (flat)	% of increase compare to existing rate	11 to 40 Kms (p.q./km)	% of increase compare to existing rate
Paddy				
Existing Rate	18.00		0.50	
For KMS 2017-18	20.00	11.11	0.55	10
For KMS 2018-19	22.50	25	0.60	20
Rice				
Existing Rate	15.00		0.50	
For KMS 2017-18	16.50	10	0.55	10
For KMS 2018-19	18.75	25	0.60	20

At the revised rates recommended above the transportation cost of paddy for average lead distance of 34 Kms and that of rice for 28 Kms average lead distance for KMS 2017-18 & KMS 2018-19 would be as below. Committee further recommended not to revise the rates for transportation of paddy & Rice beyond 40 Kms & existing rate to continue @ Rs.0.40 p.q./Km.

KMS	Paddy (p.q./Rs.)	Rice (p.q./Rs.)
2017-18	33.20	26.40
2018-19	36.90	29.55

Sd/-
(Chairman)
K. Mahanandia
FA & CAO
OSCSC Ltd.

Sd/-
Addl. Director
FS & CW Deptt

Sd/-
G.M. (Proc.)
OSCSC Ltd.

Sd/-
G.M. (PDS)
OSCSC Ltd.

Sd/-
G.M. (Accounts)
OSCSC Ltd.