

GOVERNMENT OF ODISHA  
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

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No. 13160 /

Bhubaneswar dated the 30.07.13

09-61-59/2012-13

From

**Shri Ananta Charan Nayak, O.A.S. (SAG)**  
**Additional Secretary to Govt.**

To

The General Manager, FCI, Bhubaneswar

Sub:

**Procurement prices for Levy rice during KMS 2012-13 and payment of VAT @5% thereof as per OVAT Act.**

Sir,

I am directed to say that Government of India had approved price of Levy rice for KMS 2012-13 in respect of State of Odisha @Rs.2006.80 and Rs.1993/- per quintal for Common variety of Raw & Parboiled rice respectively vide their letter No.2(1)/2012- PY.I dt.07.03.2013. The Government of India's letter which has been annexed in note No.2 that since VAT Act. has been implemented in the State, VAT, as applicable will be payable as per the relevant provisions of the Act. subject to maximum of 5% of MSP. This is contradictory to the compliance under Odisha VAT Act. 2005 under which rice is subject to VAT @5% on sale price.

FCI is making reimbursement of VAT @ Rs.93.28 instead of Rs.100.34 and @ Rs.91.91 instead of Rs.99.65 i.e. Rs.7.06 and Rs.7.74 less per quintal of Common Raw and Parboiled Rice respectively resulting in cumulative less payment of VAT to the tune of Rs.1906.20 and Rs.2089.80 for each lot of Raw and Parboiled delivered to FCI by Millers. It is worth mentioning here that no such condition was imposed to the annexure while communicating price of Levy rice for previous KMS 2011-12 vide letter No.2(1)/2011 PY.I dt.28.12.2011.

You are therefore requested to kindly look into the matter and take appropriate steps at your level for reimbursement of VAT as applicable on sale price of rice.

Yours faithfully,

  
Additional Secretary to Govt.

ED