

# ALL ODISHA RICE MILLERS ASSOCIATION

S-3/36 , Sec-A, Zone-B, Mancheswar Indl. Estate, Bhubaneswar-751010

Telefax: (0674) 2580933, 2583933

President: Shyamlal Agarwal (94370 51951)

Secretary: Santosh Kr. Agrawal(094330 11631)

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Dated 26<sup>th</sup> December, 2012.

To,  
The Under Secretary to the Govt. of India,  
Ministry of Consumer Affairs, Food & Public Distribution,  
Dept. of Food & Public Distribution,  
Krishi Bhawan, New Delhi-110001.

Madam,

**Sub: Correction in rate of VAT applicable on Procurement  
Price of Levy Rice during KMS 2012-13 in Odisha.**

Please recall our discussions over phone today in the above matter. The Procurement price of levy rice during KMS 2012-13 for Odisha has been communicated by GOI vide letter No.2(1)/2012-Py.1 Dt.10.12.12. At para-1 of the said letter it has been rightly mentioned that *“the above prices are inclusive of all taxes including those leviable at the rice stage (excluding VAT which will be as applicable)”*. However, at Note-2 of the Annexure, it is mentioned *“Since VAT ACT has been implemented in the State, VAT, as applicable, will be payable **subject to maximum @4% of MSP**”*. This appears to be contradictory to Para-1 of the letter and also does not comply with the provisions of Odisha Vat Act, 2004.

In Odisha, rate of Vat on rice is applicable @ 5% w.e.f. 1<sup>st</sup> April,2012 as per Odisha Gazette Notification Dt.30.3.2012 in stead of earlier rate of 4%. Copy of the Gazette Notification is enclosed for your ready reference. Moreover, Vat on MSP of levy paddy has no relevance since the resultant rice is subjected to VAT.

We therefore, request you that Note-2 of the Annexure may be suitably revised as *“Since VAT ACT has been implemented in the State, VAT, as applicable, will be payable **as per the relevant provisions of the ACT**”* as was mentioned in the costing sheet Dt.28.12.2011 of previous KMS 2011-12 for our State. An early communication in this regard will be highly solicited.

Enclo: Copy of Gazette Notification.

Yours faithfully,

Copy to: Commissioner-cum-Secretary to Govt,  
F. S. & C. W. Dept, Bhubaneswar.

Sd/-.  
(Santosh Kr. Agrawal),  
Secretary.

# The Odisha Gazette

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## FINANCE DEPARTMENT

### NOTIFICATION

The 30th March, 2012

**S.R.O.No.126/2012**— In exercise of the powers conferred by sub-section (1) of Section 102A of the Orissa Value Added Tax Act, 2004 (Orissa Act 4 of 2005), the State Government do hereby make the following amendment to Schedule B to the said Act and direct that the said amendment shall come into force on the 1st day of April, 2012, namely:—

### AMENDMENT

In Schedule B, in part II, the figure and symbol “4%” appearing at the end of the heading, GOODS TAXABLE AT THE RATE OF, shall be substituted by the following figure and symbol, namely:—

“5%”.

[ No.12277-FIN.-CT1-TAX-0025/2012 ]

By order of the Governor

S. ROUT

Under-Secretary to Government