

ALL ODISHA RICE MILLERS ASSOCIATION

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

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President: Shyamlal Agarwal (94370 51951)

Secretary: Santosh Kr. Agrawal(094330 11631)

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Dated 20th June, 2013.

To,
The Managing Director,
Odisha State Civil Supplies Corporation Ltd.,
C/2, Nayapalli,
Bhubaneswar-751012.

Dear Sir,

Sub: Rates of Sales Tax on Paddy/Rice in Odisha & West Bengal.

With reference to your query on the above subject, we would like to submit that there is gross disparity between rates of Sales Tax (VAT) applicable in our State and as applicable in the neighboring State of West Bengal.

In Odisha, both Paddy and Rice are taxable at the rate of 5% w.e.f. 1.4.2012 vide Finance Department Gazette Notification dated 20th March, 2012. However, tax paid on paddy is being set off from tax payable on Rice which is 5% on the sale price of Rice. **But in West Bengal, no tax is payable on Paddy, Rice** as per "Entry Sl. No.27 of Schedule-A (Goods on sale of which no tax is payable) of the West Bengal Value Added Tax Act, 2003". Copies of the Odisha Gazette Notification and Schedule-A of West Bengal VAT Act,2003 are being emailed to your address for ready reference.

Sir, because of this disparity, the millers in Odisha are unable to compete with the mills of our neighboring State in free trading of Rice & Paddy. As a result, the entire pressure of procurement has shifted on the State Agency.

We therefore, suggest that the State Government may kindly be recommended for removing this disparity in the tax structure to enable the Rice Milling Industry of our State to participate in Free-Trading of Rice in a big way.

Yours faithfully,

Copy to: Commissioner-cum-Secretary,
FS & CW Dept, Odisha.

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