

# 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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Email: [secretary.aorma@gmail.com](mailto:secretary.aorma@gmail.com)

**URGENT.**

Dated 8<sup>th</sup> July, 2013.

To,  
The Commissioner-cum-Secretary,  
Food Supplies & Consumer Welfare Department,  
Government of Odisha,  
Bhubaneswar-751001.

Dear Sir,

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

Government of India had approved price of levy rice for KMS 2012-13 in respect of our State @Rs.2,006.80 and Rs.1,993.00 per quintal for Common variety of Raw and Par-boiled rice respectively vide Letter No.2(1)/2012-Py.I dated 7<sup>th</sup> March,2013. Though it has been mentioned in the said letter that “*Since VAT Act has been implemented in the State, in addition to the above, VAT, as applicable will be payable as per the relevant provisions of the ACT*”, **surprisingly**, a condition has been imposed at Note-2 of the Annexure to the said letter dt.7.3.13 that “*.....VAT as applicable, will be payable as per the relevant provisions of ACT subject to maximum of 5% of MSP*”. This is contradictory to the compliance under Odisha Vat Act, 2004 under which, **Rice** is subject to Vat @5% on sale price.

In view of anomaly in the letter from GOI, FCI is making reimbursement of Vat at Rs.93.28 instead of Rs.100.34 and at Rs.91.91 instead of Rs.99.65 i.e. Rs.7.06 and Rs.7.74 less on per quintal of Common Raw & Par-boiled rice respectively resulting in cumulative less payment of Vat to the tune of Rs.1,906.20 and Rs.2,089.80 for each lot of Raw and Par-boiled 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 dated 28<sup>th</sup> December, 2011.

We therefore, request your honour to kindly take up the matter with FCI for ***reimbursement of Vat, as applicable on sale price of rice*** and oblige.

Yours faithfully,

Copy to: General Manager, FCI, Odisha Region.

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