

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:1027  
ANSWERED ON:20.03.2012  
PAYMENT TO MILLERS  
Patel Shri Bal Kumar

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether the Government fixes the procurement price of levy rice every year;
- (b) if so, the details thereof;
- (c) whether payments relating to statutory charges by the Food Corporation of India to the millers are payable only on production of the relevant official/statutory receipts as evidence for payments;
- (d) if so, the details thereof;
- (e) whether cases of payment without proof/evidence of payment have been detected during the last three years; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): Yes, Madam. Every year, before the start of Kharif Marketing season Government fixes levy prices of rice for all rice procuring States. Levy prices fixed for the Kharif Marketing Season (KMS) 2011-12 for different States is at Annexure- I.

(c)to(f): In case of most of the taxes levied by State Governments on rice procurement, Food Corporation of India(FCI) is making payment of statutory charges to the millers on production of the relevant official/ statutory receipts as evidence for payment. In some of the States, Rural Development Cess is directly paid to the State Government concerned by FCI.

In case of Value Added Tax(VAT), initially it was being paid to the millers by FCI without evidence of payment. However, FCI was providing the details of such payments made to Commercial Tax Department of the States concerned. In Andhra Pradesh, it came to the notice that millers were not depositing VAT to the Commercial Tax Department of the State although FCI was paying VAT to the millers. In view of this, the system for payment of VAT to the millers has been changed and now payment is made to the millers by FCI only after submission of documents providing evidence of payment of VAT to the State Government.