

E. Mail

DIRECTORATE OF COOPERATIVE AUDIT:ORISSA:BHUBANESWAR.

No. VI(I) 36/2011 311 (16) /Audit-8/Dated:- 27/1/12

To

The Asst. Auditor General of
Cooperative Societies of Circles.

Sub:- Checking of accounts of Paddy Procurement
undertaking by PACS and its incorporation
in the Audit report.

Sir/Madam,

This is regarding checking of accounts of Paddy
Procured by PACS and incorporation in the Audit report.

In this regard, it is to reiterate that PACS have
procured paddy from farmer members on behalf of Odisha State
Civil Supplies Corporation. The Corporation is also paying funds
in advance and prescribes certain books/vouchers etc, for
maintenance of records. Since this is a business of the Society,
all the transactions involved in paddy procurement are to pass
through the books of accounts of the PACS to arrive at the
trade profit. Your attention is drawn to this office letter
No. 9925 dt. 17.12.2009 wherein you were instructed to issue
necessary instructions to the auditors to check the detail
transaction on paddy procurement account at PACS level during
the course of audit and enclose a separate trading account on
paddy procurement and incorporate the same in the total trading
accounts in the audit report of the PACS.

The Odisha State Civil Supplies Corporation Ltd in
pursuance of agreement with D.C.C.B. on procurement of paddy by
PACS on behalf of the Corporation and provisional economic costing
received from Govt. of India, has prescribed the norms
on payment of commission, Administrative charges and Mandi
Labour charges to PACS as follows:-

1(i) Commission:- Commission @ 2.50% of MSP of Paddy i.e

Rs.25.00 per quintal of paddy of common FAQ variety purchased by PACS is to be paid.

(ii)Mandi Labour Charges:- Mandi Labour Charges @Rs.8.41 per quintal of paddy where PACS has arranged labour and performed all the activities at Mandi. Where PACS has performed all operations at Mandi except loading of paddy bags to the vehicle of Millers @Rs.5.41 per quintal of paddy shall be paid to PACS.

(iii)Administrative Charges:-Administrative Charges @Rs.2.00 per quintal of paddy shall be paid.

2. Mandi Labour Charges shall be released to PACS on the basis of certificate contained on the body of Acceptance notes as prescribed. The certification on the AC notes available with the matter shall be the conclusive evidence for payment of Mandi Labour Charges.

3. The PACS is to submit their claim bills on monthly basis towards commission, Mandi Labour Charges and administrative charges through D.C.C.B. to the concerned District Manager, OSCSC Ltd. The above claims is to be made basing on the actual quantity of paddy purchased by the PACS and delivered to the custom Millers.

4. The payment of commission (net mandi Labour charges and administrative charges) shall be subject to deduction of I.T at source and statutory charges as per legal provision. The TDS is to be 10% for the financial year 2010-11, ⁱⁿ case the PACS donot produce PAN, then the rate of TDS is 20% of the commission amount paid.

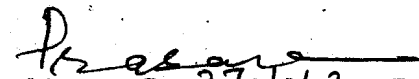
5. All payment towards commission, Mandi Labour charges and administrative charges shall be paid through A/C payee cheques drawn in the name of D.C.C.B. for payment to the concerned PACS.

6. The auditor is to furnish the information ⁱⁿ the Audit Report in the enclosed profoma.

Hence, you are all requested to circulate the instructions among the auditors under your administrative control to meticulously examine the adherence of the norms fixed by OSCSC for receipt of commission, Mandi and Labour charges, Administrative charges etc and expenses on such admissible during the course of audit and suitably comment the same in the audit report. In case of any excess expenditure incurred by PACS towards Mandi Labour Charges and Administratives charges, the committee of Management and Chief Executive as the case may be shall be held responsible for violation of the norms as stipulated above and the amount shown recoverable from the committee of Management and the Chief Executive on the merit of the case in the Balance sheet with detailed narration on the body of the Audit report. It is imperative to note that if any deviation to this office instructions takes place, the same shall be viewed seriously and the concerned auditor, checking Officer and Asst.A.G.C.S. shall be held liable for disciplinary action for improper audit and negligence of duties and responsibilities.

I am directed to request you to furnish PACS-wise information quantity of paddy procured, value thereof, commission and other charges received, related expenditure and net income derived etc, for the financial year 2010-11 as per the profoma enclosed in soft copy every month.

Yours faithfully,


Joint Auditor General of C.S.(O).

25.1.2012

P.T.O.

FSCS)
MONTHLY INFORMATION ON PADDY PROCUREMENT BUSINESS OF PACS (SCS/LAMP/PCS) FOR THE YEAR 2010-2011.

Sl.No.	Name of the Circle.	Name of the CCB	Name of the Dist.	Number of the PACS (SCS/LAMP/PCS) in 2010-12	FSCS Name of the PACS (SCS/LAMP/PCS/FSCS)	Quantity of paddy procured/purchased during the year 2010-11
1	2	3	4	5	6	7
	Amount of paddy Procured/Purchased during the year 10-11	Amount of commission received.	Amount of Mandi Labour charges received.	Amount of Administrative charges received.	Expenses on paddy procurement Business Administrative Mandi charges.	Excess Labour expense charge beyond s. limit
8	9	10	11	12	13	14
	Amount of excess expenses shown recoverable in the Audit Report.	Amount of net profit earned on paddy procurement business.				
15	16	17				

N.B.:- The auditor is to enclose information in this proforma with the Audit Report.