

VII

70



FOOD CORPORATION OF INDIA

HEADQUARTERS: 16 - 20, BARAKHAMBA LANE, NEW DELHI - 110001.

Gram: 'FOODCORP'

Phone: 23413871 - 23414872 - 23414880.

FAX No. HECI NO 00911123413241, 00911123413103.

ISO 9001:2000 CERTIFIED

No. 1-10/ 2006/ Policy/ S-IV/ Vol. I

November 14, 2006

The Executive Director,
Food Corporation of India,
Zonal Office:

FAX/ COURIER

NOIDA/ MUMBAI/ CHENNAI/ KOLKATA/ GUWAHATI.

Sub: - Procedure for disposal of stocks of foodgrains which are
non - upgradable and non - issuable (other than 'D'
category and damaged foodgrains) under TPDS/ OWS.

- Ref: - 1) FCI Hqrs. Letter No. 1-10/ 2004/ Old Stocks Rice/ TE/ S- IV/
Vol. I dated 01.03.2005. *-P.44/c*
- 2) FCI Hqrs. Letter No. QC/ 6 (1)/ 98 - Vol. III dated
02.06.1999. *-P.17/c*

Sir,

Kindly refer to the communications cited above.

The HLC, in its 4th Meeting of 2006 held on 08.08.2006, has
delegated full powers to Chairman & Managing Director, FCI to take
decision for disposal of stocks of foodgrains which are non - upgradable
and non issuable (other than 'D' category and damaged foodgrains) under
TPDS/ OWS. *-P.26/c*

Further, the HLC, in its 6th Meeting of 2006, held on 07.11.2006, *-P.57/c*
has approved the procedure for disposal of stocks of foodgrains which are
non - upgradable and non - issuable (other than 'D' category and
damaged foodgrains) under TPDS/ OWS, which is given as under:

- 1) In case there is any particular instance/ specific lot falling under
A, B and C category of Rice or A & B category of wheat which
cannot be issued under PDS and other Welfare Schemes for any
reason within six months of its receipt in the Region, a specific
proposal to that effect may be sent by the General Manager
(Region) through the concerned Executive Director (Zone) to QC
Division, Hqrs. for approval to undertake sale through tender.

(49) (7)

Before the issue is referred to the QC Division, Hqrs., the findings/ recommendations of the RCC may be examined/ verified by the ZCC at the Zonal level. In required cases, QC Division may send a team from Hqrs. to verify the decision of the RCC/ ZCC, in order to keep complete monitoring of the stock health.

- 2) On receipt of such proposal from ED(Zone), the QC Division of Headquarters shall examine the proposal and ensure to the extent possible that the upgradation of stocks is undertaken to liquidate through normal channel and recommend only those stocks for tender sale of which upgradation is neither operationally feasible nor financially viable. In appropriate cases, the Sales Division shall issue permission to concerned ED (Zone)/GM (Region) to issue a tender for sale of the quantity approved by QC Division, Hqrs.
- 3) The concerned General Manager shall issue a Tender Notice in 2 (two) leading newspapers having large circulation in the state, one of which shall be in the Regional language.
- 4) At least 21 days time shall be given to parties to submit their offers.
- 5) Within two weeks of opening of tender by the Committee constituted by the General Manager, the recommendation of both Zonal and Regional Offices shall reach Sales Division, Hqrs.
- 6) While referring the matter to the Sales Division, Hqrs., the following information must be sent along with the comments & recommendations of the Executive Director (Zone):
 - i. Crop year of the tendered stocks.
 - ii. Reasons for non-disposal of the stocks through normal channel.
 - iii. ~~Date of the stock categorization as non-upgradable and non-issuable.~~

- (88) (6)
- iv. Copies of DCC/ RCC/ ZCC Reports.
 - v. Location of the stock stored.
 - vi. Date of Issue of the advertisements and names of newspapers.
 - vii. Details of the LAS preferred, if the stocks are received under quality complaint.
 - viii. Details of the action taken against the erring officers/ officials. In cases where the disciplinary action is to be taken by the Despatching Region, it will be the responsibility of the Tendering/ Recipient Region to obtain the same from the Despatching Region.
 - ix. Names of the members of the tender opening committee.
 - x. Shed-wise and crop year-wise details of highest offers received.
 - xi. Prevalent market rates of same or similar quality of foodgrains.
 - xii. Comments & recommendations of General Manager (Region)/ Executive Director (Zone) concerned under their own signatures.
- 7) The Sales Division of Headquarters shall obtain the decision of CMD and communicate it to ED (Zone)/GM (Region), within 2 weeks of receipt of the complete proposal.
 - 8) These orders will supersede the Hqrs. circular No. 1-10/ 2004/ Old Stock Rice/ TE/ S-IV/ Vol.I dated 01.03.2005 (Ref. 1).
 - 9) These instructions have been issued in consultation with QC Division.

57 5

You are requested to take necessary action accordingly. All the concerned may be advised to strictly adhere to the above said instructions without fail.

Yours faithfully,

Subhash Zadoo
14/11/06
(SUBHASH ZADOO)
GENERAL MANAGER (SALES)

Copy to: - (FAX/ COURIER/ SPL. MESSENGER)

- 1) Joint Secretary (Policy), Ministry of CA, F & PD, Department of CA & PD, Krishi Bhawan, New Delhi.
- 2) The General Manager, Food Corporation of India, Regional Office: MUMBAI/ BHOPAL/ AHMEDABAD/ RAIPUR/ KOLKATA/ BHUBANESHWAR/ PATNA/ RANCHI/ CHENNAI/ THIRUVANATHAPURAM/ BANGALORE/ HYDERABAD/ GUWAHATI/ SHILLONG/ DIMAPUR/ NEW DELHI/ LUCKNOW/ DEHRADUN/ JAIPUR/ SHIMLA/ JAMMU/ CHANDIGARH (PB.)/ PANCHKULA (HR.) ... for information and necessary action.
- 3) General Manager (QC), FCI, Hqrs., New Delhi ... for information and necessary action. The HLC, in its 6th Meeting of 2006 has also directed that reports should be obtained from General Manager, Regions on responsibilities being fixed against each LAS for the stocks which are liquidated through tender, both as sound grain and 'D' category and submitted to HLC.
- 4) All Heads of Divisions in FCI Headquarters, New Delhi.
- 5) All CGMs in FCI Headquarters, New Delhi.
- 6) ED (Finance)/ ED (Personnel)/ ED (Commercial)/ ED (Sales/Traffic)/ ED (Vigilance)/ ED (General), FCI, Headquarters, New Delhi.
- 7) PPS to Chairman & Managing Director, FCI, Headquarters, New Delhi ... for information of CMD please.

ISSUED
15/11/06

Subhash Zadoo
14/11/06
GENERAL MANAGER (SALES)

o/c
Subhash Zadoo
15-11-06

156

FOOD CORPORATION OF INDIA

HEADQUARTERS: 16 - 20, BARAKHAMBA LANE, NEW DELHI - 110001.

Gram: 'FOODCORP'

Phone: 23413871 - 23414872 - 23414880.

FAX No. HFCI ND 00911123413241, 00911123413103.

ISO 9001:2000 CERTIFIED

No. 1-10/ 2006/ Policy/ S-IV

September 19, 2006

The Executive Director,
Food Corporation of India,
Zonal Office:

FAX/ COURIER

NOIDA/ MUMBAI/ CHENNAI/ KOLKATA/ GUWAHATI.

Sub: - Procedure for disposal of 'D' Category stocks of foodgrains.

- Ref: - 1) FCI Hqrs. Letter No. 1-10/ 2002/ 'D' Category Rice/ TE/ S- IV/
Vol. III dated 10.09.2002.
2) FCI Hqrs. Letter No. QC/ 6 (1)/ 98 - Vol. III dated 02.06.1999.

Sir,

Kindly refer to the communications cited above.

The HLC, in its 4th Meeting of 2006 held on 08.08.2006, has delegated full powers to Chairman & Managing Director, FCI to take decision for disposal of 'D' Category stocks of foodgrains.

The procedure approved by HLC is as under:

- 1) The Regions/ Zones may detect and declare 'D' Category stocks and intimate the same to QC Division, FCI Hqrs. in accordance with the guidelines issued by QC Division vide letter dated 02.06.1999 (Ref.2).
- 2) The QC Division (Hqrs.) will monitor the entire exercise of detection & declaration of disposal of 'D' Category stocks of foodgrains and recommend its tender sale only when upgradation is neither operationally feasible nor financially viable. This process has to be completed in a time bound manner and within a maximum period of ninety days of reporting in the monthly return by the Area Manager, as under:

i) After completion of the exercise of categorization by RCC in accordance with the guidelines issued by QC Division vide letter dated 02.06.1999 (Ref. 2), the General Manager (Region) shall examine whether the stocks can be upgraded economically. If it is found that it is not operationally possible or economically viable to upgrade the stocks and the same cannot be issued through PDS/OWS, even after upgradation, the General Manager shall submit a proposal to Zonal Office for seeking its permission to dispose the stocks through tender sale, in case the quantity in the depot does not exceed 500 MT. In cases and where the quantity in the depot exceeds 500 MT, the General Manager shall submit a proposal to the QC Division of Headquarters through ED(Zone) for seeking its permission to dispose the stocks through tender sale. In required cases, QC division may send a team from Hqrs. to verify the decision of the RCC.

ii) On receipt of such proposal from ED(Zone), the QC Division of Headquarters shall examine the proposal in accordance with the guidelines issued vide letter dated 02.06.1999 (Ref. 2). In appropriate cases, the Sales Division shall issue permission to concerned ED(Zone)/GM to issue a tender for sale of the quantity approved by QC Division.

Similar procedure shall be followed by the QC Division of the Zonal Office before according permission to dispose off the stocks through tender sale, where the quantity in the depot does not exceed 500 MT.

iii) The concerned General Manager shall issue a Tender Notice in 2 (two) leading newspapers having large circulation in the state, one of which shall be in the Regional language.

iv) At least 21 days time shall be given to parties to submit their offers.

- v) After opening of tender by the Committee constituted by the General Manager, the recommendation of Regional Office shall be submitted to Zonal Office within 10 days of opening of tenders.
- vi) The Zonal Office will examine the proposal received from the Regional Office within ten days and a clear recommendation shall be submitted to Sales Division of Headquarters.
- vii) While referring the matter to the Sales Division, Hqrs., the following information must be sent along with the comments & recommendations of the Executive Director (Zone):
 - i. Crop year of the tendered stocks.
 - ii. Reasons for non-disposal of the stocks through normal channel.
 - iii. Date of the stock categorization as 'D' category?
 - iv. Location of the stock stored?
 - v. Date of issue of the advertisements and names of newspapers?
 - vi. Details of the LAS preferred, if the stocks are received under quality complaint.
 - vii. Details of the action taken against the erring officers/ officials.
 - viii. Shed-wise and crop year-wise details of highest offers received.
 - ix. Prevalent market rates of same or similar quality of foodgrains.
 - x. Comments & recommendations of General Manager (Region)/ Executive Director (Zone) concerned under their own signatures.
- viii) The Sales Division of Headquarters shall obtain the decision of CMD and communicate it to ED (Zone)/GM (Region).

- 153
- 3) These orders will supercede the Hqrs. circular No. 1-10/2002/'D' Category Rice/TE/S-IV/Vol.III dated 10.9.2002 (Ref. 1).
- 4) These instructions have been issued in consultation with QC Division.

You are requested to take necessary action accordingly. All the concerned may be advised to strictly adhere to the above said instructions without fail.

Yours faithfully,

(SUBHASH ZADOO)
GENERAL MANAGER (SALES)

Copy to: -

- 1) The General Manager, Food Corporation of India, Regional Office: MUMBAI/ BHOPAL/ AHMEDABAD/ RAIPUR/ KOLKATA/ BHUBANESHWAR/ PATNA/ RANCHI/ CHENNAI/ THIRUVANATHAPURAM/ BANGALORE/ HYDERABAD/ GUWAHATI/ SHILLONG/ DIMAPUR/ NEW DELHI/ LUCKNOW/ DEHRADUN/ JAIPUR/ SHIMLA/ JAMMU/ CHANDIGARH (PB.)/ PANCHKULA (HR.) ... for information and necessary action.
- 2) Joint Secretary (Policy), Ministry of CA, F & PD, Department of CAF & PD, Krishi Bhawan, New Delhi.
- 3) General Manager (QC), FCI, Hqrs., New Delhi ... for information and necessary action.
- 4) All Heads of Divisions in FCI Headquarters, New Delhi.
- 5) All CGMs in FCI Headquarters, New Delhi.
- 6) ED (Finance)/ ED (Personnel)/ ED (Commercial)/ ED (Sales/ Traffic)/ ED (Vigilance)/ ED (General), FCI, Headquarters, New Delhi.
- 7) PPS to Chairman & Managing Director, FCI, Headquarters, New Delhi ... for information of CMD please.


19/09/06
GENERAL MANAGER (SALES)

152

FOOD CORPORATION OF INDIA

HEADQUARTERS: 16 - 20, BARAKHAMBA LANE, NEW DELHI - 110001.

Gram: 'FOODCORP'

Phone: 23413871 - 23414872 - 23414880.

FAX No. HFCI ND 00911123413241, 00911123413103.

ISO 9001:2000 CERTIFIED

No. 1-10/ 2006/ Policy/ S-IV

September 7, 2006

The Executive Director,
Food Corporation of India,
Zonal Office:

FAX/ COURIER

NOIDA/ MUMBAI/ CHENNAI/ KOLKATA/ GUWAHATI.

Sub: - Policy for disposal of foodgrains which cannot be issued under TPDS/ QWS through tender enquiries.

Ref: - FCI Hqrs. letter No. 1-10/ 2005 - CC - Maize/ Karnataka/ S.IV dated 27.10.2005.

Sir,

Kindly refer to the communications cited above.

The HLC, in its 4th Meeting of 2006 held on 08.08.2006, while deliberating on the Agenda Item for framing policy in cases where the successful tenderer does not come forward to deposit the cost and lift the stocks allotted against a tender enquiry for sale of foodgrains, has decided that

- 1) The Earnest Money Deposit should be enhanced from the existing 2% of the value of the stocks intended to be purchased at the rate quoted by the buyer to 10% of the value of the stocks intended to be purchased at the rate quoted by the buyer.
- 2) The Security Deposit should be enhanced from the existing 5% of the value of the stocks intended to be purchased to 25% of the value of stocks intended to be purchased.
- 3) The time period for deposit of the Security Deposit may be enhanced from the existing 7 days from the date of communication of acceptance to 10 days from the date of communication of acceptance.
- 4) If a successful tenderer fails to deposit the Security Deposit within the stipulated period of 10 days, then his EMD shall be forfeited and counter offers at the approved rate for the stocks in a particular shed may be given to the next highest bidder (s) upto H3 bidder, in descending order of the rates quoted by them. The requisite Security Deposit (25% of bid) shall be deposited by him within 10 days of date of communication of the offer by the General Manager (Region).

151

If a successful tenderer fails to deposit the Security Deposit within the stipulated period of 10 days then, in addition to forfeiture of his EMD, the said tenderer shall be blacklisted and debarred from participating in future tenders floated by FCI for disposal of foodgrains and coarsegrains for a period of two years. The concerned region shall prepare a list of all such blacklisted tenderers and intimate the same to all the FCI regions/ Zones under intimation to FCI Hqrs.

- 6) Fresh tender be invited upon failure of the H3 bidder to accept the approved H1 rate. Fresh tender, if any, should be at the risk & cost of H1 bidder of first tender.

The Model Tender Form is being revised accordingly and is being put up on the FCI website, www.fciweb.nic.in for reference.

You are requested to take necessary action accordingly.

Yours faithfully,

(SIRAJ HUSSAIN)
EXECUTIVE DIRECTOR (SALES)

Copy to: -

- 1) The General Manager, Food Corporation of India, Regional Office: MUMBAI/ BHOPAL/ AHMEDABAD/ RAIPUR/ KOLKATA/ BHUBANESHWAR/ PATNA/ RANCHI/ CHENNAI/ THIRUVANATHAPURAM/ BANGALORE/ HYDERABAD/ GUWAHATI/ SHILLONG/ DIMAPUR/ NEW DELHI/ LUCKNOW/ DEHRADUN/ JAIPUR/ SHIMLA/ JAMMU/ CHANDIGARH (PB.)/ PANCHKULA (HR.) ... for information and necessary action.
- 2) General Manager (MIS), FCI, Hqrs., New Delhi ... along with a floppy containing the revised Model Tender Form for sale of foodgrains through tender sale, for uploading the same on the FCI website at the earliest.
- 3) All Heads of Divisions in FCI Headquarters, New Delhi.
- 4) All CGMs in FCI Headquarters, New Delhi.
- 5) ED (Finance)/ ED (Personnel)/ ED (Commercial)/ ED (Sales)/ ED (Vigilance)/ ED (General), FCI, Headquarters, New Delhi.
- 6) PPS to Chairman & Managing Director, FCI, Headquarters, New Delhi ... for information of CMD please.


EXECUTIVE DIRECTOR (SALES)