Sales Division

ION

Sub: Circulars/instructions which are required to be sent to IBPS for framing of the questions for LPDE under APS.

Please refer to your email dated 26.05.2022 regarding subject cited above. Following are the Circulars/instructions pertaining to Sales Division that can be sent to IBPS for framing of the questions for LPDE under APS:

S.no	Circulars/guidelines/instructions	Subject
1	Fno.20-12/2002-FC.II(depots) dated 10.05.2013	Lifting of foodgrains by State Govt. from the depots other than the Base depots
2	No.4-7/2018-BP-II dated 25.04.2019	Revised guidelines regarding validity period for lifting of foodgrains under OWS
3	Fno.8-2/2018-BP.III dated 01.03.2019	Timely lifting of foodgrains allocated under NFSA
4	Fno.8-2/2018-BP.III dated 10.06.2020	Revised guidelines for grant of extension of validity period for lifting of unlifted quantity of foodgrains.
5	FnoJ&K2017-BP.III dated 20.01.2021	Request of Govt. of J&K for extension in time of deposition of cost.
6	1-14/2021-PY.IV(E-378458) dated 16.02.2022	OMSS (D) Policy for the year 2022
7	Sugar Operations	Note on Sugar Operations.
8	Supply to Defence Services	Background note on Supply to Defence Services
9	Fno.PS-01003/5/2017-PMC dated 25.04.2018	Policy for disposal of pulses from buffer created under the price stabilization fund (PSF).
10	National Food Security Act, 2013	Background note on NFSA, 2013
11	Other Welfare Schemes	Note on OWS like MID DAY MEAL, WBNP, ANNAPURNA, SAG.

भवदीय,

02/06/22

(हरगिलास, मीणा)
सहायक महा प्रबंधक(बिक्री)
कृते महा प्रबंधक(बिक्री)

General Manager (RPI), FCI, Hqrs.

J.1(1)/2021-22/Misc

Dated: 02.06.2022

(259)

No.20-12/2002-FC.II(Depots)
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhavan, New Delhi
May 10, 2013

To

The Chairman & Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
New Delhi.

CMD (FCI) Dy. No. 1159 Date 14-5-13

Subject:	Lifting of foodgrains by State Governments from the depots other than the base depots – reg.
Ref.1	D.O. Letter No.4/12/RTC Policy/2012/Sales dated 13.03.2012 of ED(Sales), FCI addressed to the then JS(P&FCI)
Ref.2	D.O. Letter No.4/12/RTC Policy/2012/Sales dated 18.05.2012 of CMD FCI addressed to the then Secretary(F&PD)

Sir,

Kindly refer to the references cited above regarding proposal of revision of policy for issue of stocks from the base depots and alternate depots and reimbursement of road transportation charges sent to the Ministry for consideration as per decision of the Board of Directors of FCI dated 06.02.2012.

2. The matter has been examined in the Ministry and accordingly, in supersession of all previous instructions in this regard, following guidelines are issued:

(i) Each depot of FCI supplying foodgrains for the TPDS or other welfare programmes should be treated as a base depot for the concerned identified area of supply and various confusing terms like designated depots, tagged depots, FCI issue centres, alternate depots, etc. should not be used in future.

(ii) The supply area of each base depot should be identified and assigned by the concerned GM Region of FCI annually in consultation with the state government authorities of Civil Supplies/Food Department before the end of the month of February for the succeeding financial year.

(iii) In cases of need, there could be linked depots of FCI and FCI will transport foodgrains from the linked depot to augment the stocks at a base depot in time.

तार : 'फूडकॉर्प'
Gram : 'FOODCORP'
फैक्स नं: एचएफसीआई एन डी
Fax No.: HFCI ND
00911123413241
00911143527433

भारतीय खाद्य निगम
FOOD CORPORATION OF INDIA

मुख्यालय नई दिल्ली
Head Quarters New Delhi

आइ॰ एस॰ ओ॰ 9001:2000 प्रमाणित

16-20, बाराखम्बा लेन, नई दिल्ली-110001, दूरभाष : 011- 43527697, 43527698
16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

No.4/12/RTC Policy/2012/Sales

Dated : 24.05.2013

Most Urgent/Email

The Executive Director(Zone),
Food Corporation of India,
Zonal Office,
Noida/Mumbai/Kolkata/Chennai/Guwahati.

The General Manager(Region),
Food Corporation of India,
Regional Office,
_______________ (All)

Sub: Lifting of foodgrains by State Governments from the depots other than the base depots and reimbursement of Road Transportation Charges.

Sir,

In supersession to the previous instructions in the above matter, Ministry of CAF&PD vide letter No.20-12/2002-FC.II(Depots) dated 10.05.2013 (Copy Enclosed) has modified its instructions in the matter relating to lifting of foodgrains by State Governments from the depots other than the base depots and reimbursement of Road Transportation Charges with immediate effect.

As decided by the Ministry, reimbursement of RTC will require approval of FCI, Hqrs on the recommendations of ED(Zone) specifying the conditions why required stock could not be arranged in time at the base depot. Quarterly report of such expenditure will be presented in the FCI Board.

It is requested that the above said modified instructions may please be brought to the notice of the State/UT Governments and all officers of the FCI for strict compliance.

Receipt of the letter may please be acknowledged.

Yours faitfully,

Encl.: 3 pages

(Rohit Garg)
AGM(Sales)
For GM(Sales)

Copy to :-

1. The JS(Policy), Ministry of CAF&PD, Department of F&PD, Krishi Bhavan, New Delhi.
2. PS to ED(Sales)/ ED(V)/ ED(Proc.)/ ED(QC)/ ED(T)/ ED(F)/ ED(IA)/ ED(Coord.)/ ED(P), FCI, HQrs.
3. CGM(Cost)/CGM(Funds), FCI, Hqrs.
4. All Head of the Divisions, FCI, Hqrs.
5. PS to CMD.

For GM(Sales)

(iv) The concerned GM, Region of FCI on a request of the State Government can shift a part or whole of the supply area of a base depot to another base depot located on the periphery.

(v) Whenever a new godown is taken over by FCI built under PEG Scheme or under any of the hiring scheme that can be declared as a new base depot by concerned GM, Region of FCI and any part of or entire supply area of an existing base depot or parts of the supply areas of various base depots may be assigned as the new supply area of such new base depot for the remaining part of the year in consultation with the State Government authorities.

(vi) In case of any emergency, law and order problem, force majeure or natural calamity, concerned GM, Region of FCI may provide supplies to the whole or part of the supply area of an existing base depot from any other nearby base depot for a period till the problem persists.

(vii) Whenever due to any unforeseen situation, the requirement of foodgrains cannot be fully or partially be met from a base depot due to shortage of stocks, the shortfall in supply can be made up for a limited and defined period from another base depot of FCI. If the state agencies store foodgrains at block depot/supply depot/intermediate depot or Principal Distribution Centre (by whatever name called) after lifting it from FCI, the additionality in the distance of these centres from the new depot as compared to old depot will only be considered for the reimbursement of Road Transportation Charges(RTCs). This reimbursement of RTCs for the extra distance covered will be paid based on the FCI's prevailing rate of RTC or the rate of RTC approved by the State Government for the area, whichever is lower.

(viii) There will be no reimbursement of RTC in such cases where either foodgrains are directly lifted by the Fair Price Shops dealers or their organisations or the State Agencies directly deliver to the FPS after lifting foodgrains from FCI from the base depot of FCI.

(ix) The reasons for reimbursement will be recorded after the approval of FCI Headquarters on the recommendation of ED(Zone) specifying the conditions why required stock could not be arranged in time at the base depot. Quarterly report of such expenditure will be presented in the FCI Board.

(x) In cases, where the entire supply area or a part of supply area is permanently switched over to another base depot or a newly started base depot, there will be no reimbursement of RTC.

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3. These instructions may be brought to the notice of State Governments and officers of FCI and implemented with immediate effect.

Thanking you,

Yours faithfully,

(U.K.S. Chauhan)
Joint Secretary(P&FCI)
Tel.No.01-2338 2512
Fax No.011-2338 9358
e-mail: jspolicy.fpd@nic.in

No.4-7/2018-BP-II
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi – 110001
Dated 25th April 2019

Subject: **Revised Guidelines regarding validity period for the lifting of foodgrains under Other Welfare Schemes i.e. MDM, WBNP, SAG, Annapurna Scheme and Welfare Institutions and Hostels Scheme.**

The undersigned is directed to say that allocation of foodgrain is made by Department of Food & Public Distribution in respect of following Schemes and Programs of Government of India:

(a) National Food Security Act, 2013;
(b) Other Welfare Schemes (OWS) –
1. Mid Day Meal Scheme – Department of School Education & Literacy.
2. Wheat Based Nutrition Programme – Ministry of Women & Child Development.
3. Scheme for Adolescent Girls – Ministry of Women & Child Development.
4. Annapurna Scheme – Ministry of Rural Development.
5. Allocation of Foodgrain under Welfare Institutions & Hostels Scheme – Department of Food & Public Distribution.

2) In respect of allocation of foodgrain made under NFSA, the offtake of foodgrain pertaining to any allocation month should be completed by States/UTs by the last day of the month preceding the allocation month, so that the eligible beneficiaries could receive their entitled quota of foodgrain during the allocation month itself; failing which States/UTs are liable to pay Food Security Allowance to such beneficiaries under Food Security Allowance Rules, 2015.

3) Secondly, in respect of allocation of foodgrain made under Other Welfare Schemes, different Schemes are governed by different guidelines. There is lack of uniformity in validity period for making offtake of foodgrain among the above 5 OWSs. In order to bring uniformity in this regard, the following has been decided (in supersession of DFPD's lifting guidelines for OWSs vide its Order No.1-2/2008-BP-II dated 18.07.2008 and 18.09.2008):

i) **Monthly Allocation** – Foodgrain pertaining to any particular month under above 5 OWSs, should be lifted by the last day of the month preceding the allocation month;
ii) **Quarterly Allocation** – In case the allocation of foodgrain is made by the concerned Ministry/Department on quarterly basis under any of the above OWSs, the States/UTs would have the option either to lift the foodgrain on monthly basis, as per validity schedule mentioned at (i) above or at one go on quarterly basis, subject to the condition that the offtake of foodgrain for the particular quarter should be completed between first day of the month preceding the allocation quarter till the last day of the second month of the said quarter, unless otherwise communicated by Department of Food & Public Distribution in individual cases. The advance lifting of foodgrain would be further subject to the availability of stock in the Central Pool;
iii) Department of Food & Public Distribution's guidelines dated 6-Feb-2014 and 6-Nov-2018 regarding advance lifting of foodgrain upto 6 months for TPDS/NFSA/OWS would continue to be in vogue;

iv) In case the last date for lifting happens to be a public holiday, the same will have to be done upto the previous working day;

v) If the allocated quantity of foodgrain is not lifted in full by the specified date, the lifting of balance quantity of foodgrain will be as per extant norms;

vi) If the allocated quantity of foodgrain is not available in the assigned FCI depot/godown, it will have to be lifted from the nearest alternate depot/godown assigned by FCI for this purpose;

vii) The foodgrain has to be released to the concerned State/UT by FCI in the ratio as decided by DFPD;

viii) Since the allocation of foodgrain by FCI to States/UTs under above Schemes/Programmes is on pre-payment basis, States/UTs should deposit the cost well in time so that the lifting of foodgrain could be ensured as per above schedule.

4) This issues with the approval of competent authority.

(Asit Halder)
Under Secretary (BP-II)
Tel. No. 011-23382504

To

Principal Secretaries / Secretaries
Department of Food, Civil Supply and Consumer Affairs
All States / UTs

Copy to:

1. Secretary, Ministry of Women & Child Development.
2. Secretary, Department of School Education & Literacy, M/o HRD
3. Secretary, Ministry of Rural Development
4. Chairman-cum-Managing Director, Food Corporation of India, New Delhi
5. JS (Policy & FCI) / JS (Storage) / Economic Adviser (NFSA)
6. Director (PD) / Director (Policy) / Director (Movt) / Director (Storage) / Joint Director (NFSA)

F.No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi.
Dated:11th November, 2019

To

1. Pr. Secretaries/ Secretaries/ Food Commissioners,
Department of Food, Civil Supplies and Consumer Affairs,
(All States/UTs)

2. Chairman-cum-Managing Director, FCI, New Delhi

Subject: Revised guidelines for grant of extension of validity period -for lifting of unlifted quantity of foodgrains-regarding.

Respected Sir/Madam,

I am directed to refer to this Department's letter of even no. dated 29.4.2019 vide which this Deptt. has communicated to all States/UTs to adopt suitable mechanism and remove all bottlenecks as soon as possible in order to ensure that the complete quantity of foodgrain is lifted within the normal validity period; failing which no 2nd extension of 15 days from September 2019 onwards and no 1st extension of 15 days from December 2019 onwards would be granted by Food Corporation of India.

2. The above decision has been examined in this Department in light of the difficulties being faced by various States/UTs in smooth lifting of foodgrains and accordingly in partial modification of this Deptt. letter of even no. dated 29.4.2019, the new guidelines regarding extension of validity period for lifting of unlifted quantity of foodgrains under TPDS/NFSA will be as under:

a) The concerned GM, FCI of the region is re-delegated with the powers of granting 1st extension of 15 days for lifting of unlifted quantity of foodgrains upto June, 2020 in respect of all the States/UTs.

b) 2nd extension powers of 15 days which have been withdrawn from FCI w.e.f September, 2019 onwards in r/o all States/UTs are now delegated to FCI, Hqrs in respect of only N-E States i.e Tripura, Arunachal Pradesh, Assam, Manipur, Meghalaya, Nagaland, Mizoram and Sikkim and in respect of Jammu & Kashmir until further orders in this regard.

c) 2nd extension powers in respect of rest of the States other than those mentioned in para 2(b) above will remain with DFPD.

3. This issues with the approval of the competent authority.

Yours faithfully,
(K Roy Varghese)
Under Secretary to the Govt. of India

Copy for information and necessary action to:

1. Executive Director (Sales/Proc), FCI, New Delhi
2. The General Manager, (Sales), FCI, New Delhi

263730/2019/SO(BP-III)

No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi
Dated: 29th April, 2019

To

The Pr. Secretaries/ Secretaries
Department of Food, Civil Supplies and Consumer Affairs
All State Governments /UT Admns.

Subject: **Lifting of foodgrain allocated under NFSA/OWS – Validity period – extension thereof – regarding**

Respected Sir / Madam,

I am directed to say that this Department has been periodically reviewing the offtake pattern of foodgrain so allocated under National Food Security Act, 2013. States/UTs have also been requested regularly to ensure that the foodgrain is lifted within the normal validity period i.e. by the last day of the month preceding the allocation month, so that the eligible beneficiaries get their entitled quantity of foodgrain during the allocation month itself.

2 Section 3 (1) under Chapter-II of the Act extends the Right to receive foodgrains at subsidized prices by persons belonging to eligible households under Targeted Public Distribution System. Section 7 (9) of the TPDS (Control) Order 2015, provides that the State Government shall ensure the lifting of foodgrains by the last day of the month preceding the allocation month. Further Section 8 (3) of the TPDS (Control) Order 2015, provides that the State Government shall ensure, through the authorized agency, physical delivery of foodgrains by the end of the month preceding the allocation month and in any case not later than the first week of the allocation month.

3. Despite repeated requests and reminders from this Department, there was not much improvement and a number of States/UTs were continued to lift the foodgrain during the extended period. Pursuant to this Department of Food & Public Distribution vide its communication(s) of even number dated 20-Feb-2019 withdrew the delegated power of granting extension for deposit of cost and lifting of foodgrain from Food Corporation of India (2nd extension of 15 days from April 2019 onwards and 1st extension of 15 days from June 2019 onwards).

4. Subsequent to the DFPD's above order dated 20-Feb-2019, requests have been received from a number of States viz. Maharashtra, Bihar, Rajasthan, Nagaland, Jharkhand and J&K conveying a number of challenges and difficulties, from the side of FCI and otherwise, which affected the lifting of foodgrain within the normal validity period. States/UTs further sought some more time in order to streamline the lifting of foodgrain in their respective States/UTs.

5. This matter has been considered in this Department in consultation with FCI and it has now been decided that the States/UTs have to adopt suitable mechanism and remove all bottlenecks as soon as possible in order to ensure that the complete quantity of foodgrain is lifted within the normal validity period; failing which no 2nd extension of 15 days from September 2019 onwards and no 1st extension of 15 days from December 2019 onwards would be granted by Food Corporation of India. Till such time, the matter of granting extension for lifting the un-lifted stock of foodgrain would be governed by DFPD's order No.8-10/2014-BP.III, dated 6-Jan-2017.

6. This issues with the approval of competent authority.

Yours faithfully,

(Asit Halder)
Under Secretary to the Govt. of India
011-23382504

Copy to:

1. Chairman-cum-Managing Director, Food Corporation of India, New Delhi
2. Joint Secretary (Policy & FCI)
2 Economic Adviser (NFSA)

सं.1/6/PD Policy/2019/Sales दिनांक: 01.03.2019

E-MAIL

कार्यकारी निदेशक (Zone),
भारतीय खाद्य निगम,
आंचलिक कार्यालय,
Noida/ Guwahati/ Kolkata
Mumbai/ Chennai

महाप्रबंधक (Region),
भारतीय खाद्य निगम,
क्षेत्रीय कार्यालय
All.....................

Sub: Extension of validity period for deposit of cost and lifting of foodgrains under National Food Security Act, 2013 - reg.

Ref: FCI Hqrs. letter of even number dated 25.02.2019

Sir,

Please refer to the communication cited above.

Ministry of CAF&PD vide its letter No.8-2/2018-BP.III dated 01.03.2019 has clarified the policy decision of no grant of 2nd extension of 15 days from April 2019 onwards and further no grant of 1st extension of 15 days from June 2019 onwards for deposit of cost and lifting of foodgrains allocated under NFSA, will be uniformaliy applicable to all States/UTs and not in particular to any State/UT.

You are further requestd to ensure availability of sufficient foodgrains in the godowns so that the entitled quantity of foodgrains could be allocated to the States/UTs during the normal validity period itself.

You are requested to take necessary action accordingly and ensure strict compliance. The above said instructions may also be brought to the notice of all concerned.

भवदीय

Encl: As above

नरेन्द्र कुमार 1-3-19
(नरेन्द्र कुमार)
सहा॰ महाप्रबन्धक (बिक्री)
कृते महाप्रबन्धक (बिक्री)

Copy to:-
1) Dy. Secretary (BP-III), Min. of CAF&PD, DF&PD, Krishi Bhavan, New Delhi.
2) PS to ED(Sales)/ED(T)/ED(V)/ED(QC)/ED(Proc)/ ED(F)/ED(Coord) FCI, Hqrs.
3) GM (Movement), FCI Hqrs., New Delhi alongwith a copy of MoCAF&PD letter No.8-2/2018-BP.III dated 01.03.2019 for information and necesasry action.
4) State/UT files/ TPDS/NFSA allocation file/Extension file.

नरेन्द्र कुमार 1-3-19
कृते महाप्रबन्धक (बिक्री)

659
1.3.19

F.No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi.
Dated: 1st March, 2019

To

The Chairman-cum-Managing Director,
Food Corporation of India,
16-20, Barakhamba Lane,
New Delhi

Subject: Ensuring timely lifting of foodgrain allocated under National Food Security Act(NFSA)

Sir,

I am directed to refer this Department letters of even no. dated 20.2.2019 and this Department's email dated 25.02.2019 on the above mentioned subject. As discussed with FCI, it is clarified that the policy decision of no grant of 2nd extension of 15 days from April 2019 onwards and further no grant of 1st extension of 15 days from June 2019 onwards for deposit of cost and lifting of foodgrains allocated under NSFA, will be uniformly applicable to all States/UTs and not in particular to any State/UT.

EDC P&R: | O.T

GM(Sales)

DGM(Sales)

1/3/19

2. FCI is further requested to ensure availability of sufficient foodgrain in its godowns so that the entitled quantity of foodgrain could be allocated to the States/UTs during the normal validity period itself.

This issues with the approval of competent authority.

AGM(Sales) 01/3/19

Yours faithfully,

Encl: As above.

(Asit Halder)
Under Secretary to the Govt. of India

Copy for necessary action to:

1. Executive Director (Sales/Proc), FCI, New Delhi.
2. The General Manager, (Sales), FCI, New Delhi..

No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi - 110 001
Dated - 20-Feb-2019

To

The Pr. Secretaries / Secretaries
Department of Food & Civil Supplies
Governments of – **Bihar, Jammu & Kashmir, Jharkhand, Rajasthan and Tripura**

Subject: **Ensuring timely lifting of foodgrain allocated under National Food Security Act, 2013 - regarding**

Respected Sir / Madam

As you are aware, **Department of Food & Public Distribution has been periodically reviewing and analyzing** the lifting pattern of foodgrain so allocated under National Food Security Act, 2013. As envisaged under clause 7(9) of the TPDS Control Order 2015, it is imperative on the part of the States/UTs to ensure that the foodgrain of a particular allocation month is lifted by the last day of the month preceding the allocation month, so that the same could be distributed among the eligible beneficiaries during the allocation month itself; failing which the State Government is liable to pay Food Security Allowance in terms of the Food Security Allowance Rules 2015. This Department has been writing to States/UTs in this regard from time to time, for the past one year, with the request to bring efficiency in the lifting pattern

2. However, while reviewing the State-wise lifting pattern of foodgrains for the 4th quarter of 2018-19, it has been observed that the State Governments of **Bihar, Jammu & Kashmir, Jharkhand, Rajasthan and Tripura** are still lifting a substantial quantity of foodgrain during the 2nd extension period of 15 days' as granted by FCI, as may be seen from the following tables:

Rice

Sl.No	State	Lifting %age				Lapsed Quantity %
		During normal validity period	During 1st 15 days' extension	**During 2nd 15 days' extension**	Total Lifting	
1.	BIHAR	51	28	**15**	94	6
2.	J&K	35	47	**18**	100	0
3.	JHARKHAND	37	45	**08**	90	10
4.	TRIPURA	60	25	**15**	100	0

Wheat

Sl.No.	State	Lifting %age				Lapsed Quantity
		During normal validity period	During 1st 15 days' extension	During 2nd 15 days' extension	Total Lifting	
1.	BIHAR	48	30	16	94	6
2.	J&K	75	23	3	101	-1
3.	JHARKHAND	27	40	20	87	13
4.	RAJASTHAN	22	42	34	98	2
5.	TRIPURA	16	17	68	101	-1

3. In view of the above, I am directed to say that State Governments of Bihar, Jammu & Kashmir, Jharkhand, Rajasthan and Tripura are advised that any request for 2nd extension would not be entertained for allocation from April, 2019 onwards. As such these States while improving the percentage for timely lifting may ensure that all the lifting is completed in time.

4. Food Corporation of India is hereby requested that from April 2019 onwards, no extension of deposit of cost and lifting of foodgrain is granted if the States/UTs are not able to deposit the cost and lift the entire allocated quantity of foodgrain by the 1st extension of 15 days' period.

5. **This issues with the approval of Secretary, DFPD.**

Yours faithfully,

(K.M.S. KHALSA)
Deputy Secretary to Government of India
Tel: 011-2338 3046
Email: dsbp.fpd@nic.in

Copy to

1. **Chairman-cum-Managing Director**
   Food Corporation of India, New Delhi.
2. **Pr. Secretaries / Secretaries**
   Department of Food & Civil Supplies
   All States / UTs (except those in the addressee list)

Copy for information to:

i) Secretary (DFPD)

ii) Joint Secretary (BP&PD) / Joint Secretary (FCI & Policy) / Economic Adviser (NFSA)

No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi - 110 001
Dated - 20-Feb-2019

To

The Pr. Secretaries / Secretaries
Department of Food & Civil Supplies
Governments of – **Haryana, Maharashtra and Telangana**

Subject: **Ensuring timely lifting of foodgrain allocated under National Food Security Act, 2013 - regarding**

Respected Sir / Madam

As you are aware, Department of Food & Public Distribution has been periodically reviewing and analyzing the lifting pattern of foodgrain so allocated under National Food Security Act, 2013. As envisaged under clause 7(9) of the TPDS Control Order 2015, it is imperative on the part of the States/UTs to ensure that the foodgrain of a particular allocation month is lifted by the last day of the month preceding the allocation month, so that the same could be distributed among the eligible beneficiaries during the allocation month itself; failing which the State Government is liable to pay Food Security Allowance in terms of the Food Security Allowance Rules 2015. This Department has been writing to States/UTs in this regard from time to time, for the past one year, with the request to bring efficiency in the lifting pattern

2. However, while reviewing the State-wise lifting pattern of foodgrains for the 4th quarter of 2018-19, it has been observed that the State Governments of **Haryana and Maharashtra** are still lifting a substantial quantity of foodgrain during the extended period of time, as granted by FCI. In case of **Telangana** it has further been observed that a sizeable quantity of wheat so allocated under NFSA lapses every month, as may be seen from the following tables:

Wheat

Sl.No	State	Lifting %age				Lapsed Quantity
		During normal validity period	During 1st 15 days' extension	During 2nd 15 days' extension	Total Lifting	
1	HARYANA	52	43	5	100	0
2	MAHARASHTRA	61	25	5	91	9
3	TELANGANA	31	1	0	32	68

Rice

Sl.No.	State	Lifting %age				Lapsed Quantity
		During normal validity period	During 1st 15 days' extension	During 2nd 15 days' extension	Total Lifting	
1	MAHARASHTRA	58	28	4	90	10

3. In view of the above, I am directed to say that State Governments of **Haryana, Maharashtra and Telangana are advised that any requests for 2nd extension** would not **be entertained** for allocation from April, 2019 onwards <u>and</u> any request for 1st extension also would not be entertained for allocation from June, 2019 onwards. As such these States while improving the percentage for timely lifting may ensure that all the lifting is completed in time.

4. Food Corporation of India is hereby requested that from April 2019 onwards, no extension of deposit of cost and lifting of foodgrain is granted if the States/UTs are not able to deposit the cost and lift the entire allocated quantity of foodgrain by the 1st extension of 15 days' period. Similarly, no extension for deposit of cost and lifting of foodgrain may be granted from June 2019 onwards if the entire quantity of foodgrain is not lifted within the normal validity period.

5. **This issues with the approval of Secretary, Department of Food & Public Distribution.**

With regards,

Yours faithfully.

(K.M.S. KHALSA)
Deputy Secretary to Government of India
Tel: 011-2338 3046
Email: dsbp.fpd@nic.in

Copy to

1. Chairman-cum-Managing Director
   Food Corporation of India, New Delhi.
2. Pr. Secretaries / Secretaries
   Department of Food & Civil Supplies
   All States / UTs (except those in the addressee list)

Copy for information to:

i) Secretary (DFPD)
ii) Joint Secretary (BP&PD) / Joint Secretary (FCI & Policy) / Economic Adviser (NFSA)

250653/2019/SO(BP-III)

Subject: Re: Extension of validity period for deposit of cost and lifting of foodgrains under National Food Security Act, 2013 - reg.

Date: 02/25/19 04:35 PM

From: KMS Khalsa <dsbpfpd@gmail.com>

To: "Deepak Sharma GM (Sales)" <gmsales.fci@gov.in>

Cc: ED West <edwest.fci@nic.in>, ED NEF <ednef.fci@gov.in>,
Zonal Office East Zone <edeast.fci@gov.in>,
"ed zmsouth.fci" <edsouth.fci@gov.in>,
Executive Director North <ednorth.fci@gov.in>,
gmharyana <srmhr.fci@nic.in>, gmmaha <srmma.fci@nic.in>,
gmap <srmap.fci@nic.in>, gmbihar <srmbi.fci@nic.in>,
GM Bihar <gmbi.fci@gov.in>, gmjammu <srmjk.fci@nic.in>,
gmjh <srmjh.fci@nic.in>, gmjaipur <srmrj.fci@nic.in>,
gmshillong <srmme.fci@nic.in>
Deputy Secretary BP <dsbp.fpd@nic.in>,
"ED(Sales) FCI" <edsales.fci@gov.in>,
Executive Director <edt.fci@gov.in>,
Executive Director <edv.fci@gov.in>, "E.D" <edpqrs.fci@gov.in>,
RAVINDER SINGH ed proc <edproc.fci@gov.in>,
Executive Director <edf.fci@gov.in>, ED Coord <edcoord.fci@nic.in>

Bcc: sonia.anand@gov.in

Dear Shri Deepak Sharma

Apropos the mail trailing below.

Please be informed that this policy decision will be uniformly applicable to all States/UTs, and not in particular to any State/UT - No 2nd Extension of 15 days from April 2019 onwards and No 1st Extension of 15 days from June 2019 onwards. The decision has been arrived at with the approval of Secretary (DFPD).

Now, FCI also needs to ensure availability of foodgrain in its godowns so that the entitled quantity of foodgrain could be allocated to the States/UTs during the normal validity period itself.

Regards

[illegible]
[illegible] Secretary [illegible]
[illegible] Food & Public Distribution
[illegible] Bhawan, New Delhi-110001
[illegible]

On Mon, Feb 25, 2019 at 4:05 PM Deepak Sharma GM (Sales) <gmsales.fci@gov.in> wrote:

सं.1/6/PD Policy/2019/Sales

दिनांक: 25.02.2019

E-MAIL

कार्यकारी निदेशक(Zone),
भारतीय खाद्य निगम,
आंचलिक कार्यालय,

महाप्रबंधक(Region),
भारतीय खाद्य निगम,
क्षेत्रीय कार्यालय

Noida/ Guwahati/ Kolkata/Chennai/ Mumbai
Haryana/Maharashtra/Telangana /Bihar / J&K/ Jharkhand/ Rajasthan/ Tripura

Sub: Extension of validity period for deposit of cost and lifting of foodgrains under National Food Security Act, 2013 - reg.

Sir,

2[illegible]653/2019/SO(BP-III)

Please find enclosed herewith copies of two letters of Ministry of CAF&PD, both bearing **No.8-2/2018-BP.III dated 20.02.2019 regarding Extension of validity period for deposit of cost and lifting of foodgrains under National Food Security Act, 2013.**

Ministry has directed that in case of **Haryana, Maharashtra and Telangana,** from April 2019 onwards, no extension of deposit of cost and lifting of foodgrain is granted if the States are not able to deposit the cost and lift the entire allocated quantity of foodgrain by the 1st extension of 15 days' period. Similarly, no extension for deposit of cost and lifting of foodgrain may be granted from June 2019 onwards if the entire quanity of foodgrain is not lifted within the normal validity period.

Ministry has also directed that in case of **Bihar, Jammu & Kashmir, Jharkhand,** Rajasthan and Tripura, from April 2019 onwards, no extension of deposit of cost and lifting of foograin is granted if the States are not able to deposit the cost and lift the entire allocated quantity of foodgrain by the 1st extension of 15 days' period.

You are requested to please take necessary action accordingly and ensure strict compliance. The above said instructions ~~may also be brought to the notice of concerned State~~ Govts.

भवदीय

Encl: As above

(शेखर अरविंद)

उप. महाप्रबन्धक (बिक्री)

कृतेमहाप्रबन्धक (बिक्री)

F.No.8-2/2018-BP.III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi.
Dated: 10th June, 2020

To

1. Pr. Secretaries/ Secretaries/ Food Commissioners,
Department of Food, Civil Supplies and Consumer Affairs,
(All States/UTs)

2. The Chairman-cum-Managing Director, FCI, New Delhi

Subject: Revised guidelines for grant of extension of validity period for lifting of unlifted quantity of foodgrains-regarding.

Respected Sir/Madam,

I am directed to refer to this Department's letter of even no. dated 11.11.2019 vide which the new guidelines regarding extension of validity period for lifting of unlifted quantity of foodgrains under TPDS/NFSA have been communicated to all States/UTs and to say that in view of the current situation being created all over the country due to COVID-19 , where the responsibility for providing the foodgrains to the beneficiaries is of utmost importance, the revised guidelines regarding extension of validity period for lifting of unlifted quantity of foodgrains under TPDS/NFSA will be as under:

a. The concerned GM, FCI of the region is re-delegated with the powers of granting 1st extension of 15 days for lifting of unlifted quantity of foodgrains in respect of all the States/UTs until further orders.
b. 2nd extension powers of 15 days in r/o N-E States i.e Tripura, Arunachal Pradesh, Assam, Manipur, Meghalaya, Nagaland, Mizoram and Sikkim and in respect of Jammu & Kashmir will continue to remain with FCI until further orders in this regard.
c. 2nd extension powers in respect of rest of the States/UTs other than those mentioned in para 2(b) above will remain with DFPD.

2. This issues with the approval of the competent authority.

Yours faithfully,

(K Roy Varghese)
Under Secretary to the Govt. of India

Copy for information and necessary action to:

1.	Executive Director (Sales/Proc), FCI, New Delhi
2.	The General Manager, (Sales), FCI, New Delhi

F.No.2/Jammu & Kashmir/2017-BP.III
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi
Date: 20th January, 2021

To

1. The Secretary,
   Department of Food, Civil Supplies & Consumer Affairs,
   Government of Jammu & Kashmir,
   Civil Secretariat,
   Jammu/Srinagar

2. The Chairman –cum Managing Director,
   Food Corporation of India,
   New Delhi.

Sub: Request of Govt. of J&K for extension in time for deposition of cost for lifting of stocks for January, 2021-reg.

Sir,

I am directed to refer to Govt. of J&K letter No.FCS&CA/Plan/NFSA/Allo/2020-21 dated 19.01.2021 on the above mentioned subject and it is informed that this Department's vide letter dated 10.06.2020 (copy enclosed) has communicated to all the States/UTs and FCI that under NFSA -1st extension powers of FCI have been re-delegated with FCI until further orders, 2nd extension powers in r/o 7 N-E States, Sikkim and J & K will continue to remain with FCI until further orders and 2nd extension powers in r/o rest of the States/UTs will remain with DFPD. Hence, FCI is delegated with the powers of granting extension to J&K.

2. Further, although it has not been specifically mentioned in the letter dated 10.06.2020, the guidelines are applicable both for granting extension and for deposition of cost. Therefore, the said letter is applicable for granting extension, both for deposition of cost and lifting of foodgrains. Hence FCI is competent for giving extension for both the cases. Accordingly, FCI is requested to take necessary action at their end.

Encl:As above

Yours faithfully,

Digitally signed by K ROY VARGHESE
Date: Wed Jan 20 13:48:16 IST 2021
Reason: Approved

(K Roy Varghese)
Under Secretary to the Government of India

Copy to:-

1. ED (Sales), FCI, New Delhi.
2. GM(Sales), FCI, New Delhi.

No.1-14/2021-PY.IV (E-378458)
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi
Dated, the 16.02.2022

OFFICE MEMORANDUM

Subject: Policy for sale of wheat and rice in the open market through Open Market Sale Scheme (Domestic) {OMSS (D)} for remaining period of the year 2022 –reg.

The undersigned is directed to convey the approval of the competent authority on Policy for sale of excess stocks of Wheat and Rice, i.e. in excess of buffer stocking norms, to bulk consumers/State Governments/UTs in the open market under Open Market Sale Scheme (Domestic) through e-auction for the remaining period of **calendar year 2022.**

1. **Wheat**

1.1 Uniform reserve price for wheat across India shall be discontinued from the date of issue of this letter. The Reserve price for following categories of wheat for sale from Punjab, Haryana and Madhya Pradesh is fixed as under:

RMS	Reserve Price (upto 31.03.2022)
2020-21 FAQ	Rs. 2100/Qtl
2021-22 FAQ	Rs. 2150/Qtl
2022-23 FAQ	Rs. 2200/Qtl

1.2 For fixation of reserve price in other States, rail freight ex-Ludhiana to nearest railhead and road transportation cost from railhead to depot to be added to above reserve price, if the offered stocks have been moved from Punjab/Haryana and in case the offered stocks have been transported from Madhya Pradesh, freight ex-Bhopal be added to above reserve price.

1.3 The reserve price to be revised upward by Rs. 0.25 per Kg twice a year i.e. on 1st of April and 1st of October. However, for wheat of RMS 2022-23, the enhancement would be applicable from 1st of October. The reserve price will be as under:

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RMS	Reserve Price (upto 31st March, 2022)	Reserve Price (from 1st April, 2022)	Reserve Price (from 1st October, 2022)
2020-21 FAQ	Rs. 2100/Qtl	Rs. 2125/Qtl	Rs. 2150/Qtl
2021-22 FAQ	Rs. 2150/Qtl	Rs. 2175/Qtl	Rs. 2200/Qtl
2022-23 FAQ	Rs. 2200/Qtl	Rs. 2200/Qtl	Rs. 2225/Qtl

1.4 Sale of wheat may be undertaken throughout the year upto 31 December, 2022 or till further orders, whichever is earlier.

1.5 Surplus procuring States (wheat)will not be allowed to participate in e-auction for purchase of wheat for their state schemes and they may be advised to retain stocks under state pool for their own schemes.

1.6 No sale may be undertaken during the procurement period in the procuring regions.

2 Rice

2.1 Reserve price of rice for under OMSS(D) Policy is fixed as under:

KMS	Reserve Price (from the date of issue of this letter)
Rice of all crop years	**Rs. 2,000/- qtl. (Pan India) for State and Central Govts. schemes/ programs and for Pvt. Parties also participating in the ethanol production under Bio-fuel policy.** **Rs.2,250/- qtl. for other Private Parties except for those who participate in OMC tenders for production of ethanol for whom reserve price is Rs. 2,000/qtl.**

Sale of rice under OMSS(D) may be undertaken upto 31st December, 2022 or till further orders whichever is earlier.

2.2 Surplus procuring States (paddy/rice) are not to be allowed to participate in e- auction for purchase of rice for their state schemes and they may be advised to retain stocks under state pool for their own schemes.

2.3 Private parties may not be allowed to purchase rice, in surplus procuring states during procurement period of paddy under OMSS(D).

Manu

2.4 Sale of rice in deficit procuring states may continue to be allowed during procurement period of paddy, on the request of State Govt only, for meeting their additional requirements.

2.5 Sale of rice in deficit procuring States may be allowed during procurement period of paddy for private parties also. For conducting such e-auction, DFPD will give permission on case to case basis.

2.6 Sale of rice may be allowed in non procuring states upto 31st December, 2022 or till further orders whichever is earlier.

3. The mode of sale of wheat and rice through e- auction will be same as undertaken during 2021-22.
4. The Policy of OMSS(D) for the calendar year 2022 shall be effective from the date of its issue. All fresh e-auctions to be done under this policy.
5. This issues with the approval of Competent Authority.

16.02.2022

(Makarand Phadke)
Joint Director (Py I &IV)

To,
CMD, FCI, New Delhi.

Copy for information to:-

i. Secretary, Department of Expenditure, North Block, New Delhi.
ii. Secretary, Department of Consumer Affairs, Krishi Bhawan, New Delhi.
iii. Secretary, Department of Commerce, Udyog Bhawan, New Delhi.

Copy to:-

1. PS to Hon'ble Minister of Finance
2. PS to Hon'ble Minister of CAF&PD
3. PS to Hon'ble MOS(CAF&PD)
4. PSO to Secretary, DFPD.
5. PPS to Sr. Economic Advisor, DFPD.
6. PPS to Joint Secretary (BP & PD), DFPD.
7. PPS to Joint Secretary (P & FCI). DFPD
8. PPS to Joint Secretary (S & A), DFPD.
9. PPS to Joint Secretary (Impex & IC).
10. NIC, Deptt. of Food and PD with the request to upload this letter on the official website of the Department.
11. Concerned file/Guard file.

13

SUGAR OPERATION

Preamble:

The Government of India, during 1972, introduced a Scheme under which a portion of sugar produced by the Sugar Mills is collected as levy and distributed to the consumers throughout the country at a Uniform Retail Issue Price under Public Distribution System. This scheme is effective from 1st October, 1972. Presently the levy percentage is 10% w.e.f., 1st March, 2002. FCI's sugar operations are on two counts, viz.:

(a) Handling of wholesale distribution of levy sugar in certain States/UTs entrusted by Government of India; and

(b) Maintenance of Sugar Price Equalisation Fund, on behalf of Government of India.

Wholesale distribution of levy sugar:

Under the scheme of levy sugar operation, the responsibility of lifting levy sugar stocks from mills and issuing the same to the nominees of State Governments or their agencies (for further distribution to the consumers under PDS) is entrusted to FCI. As on date, FCI is handling levy sugar operation in the following 10 States/Union Territories :-

1) Assam 2) Arunachal Pr. 3) Manipur 4) Meghalaya

5) Mizoram 6) Tripura 7) Nagaland 8) J&K

9) A&N Islands 10) Lakshadweep

In rest of the States/UTs, the levy sugar operations are handled by the respective State Governments/UT Administrations, directly.

Allocation:

The average allotment of levy sugar received by FCI for Public Distribution System(PDS) and Para Military Forces(PMF) generally ranges between 35,000 to 38,000 MTs per month(depending on the release for festivals and transfer of PMF from one State to another State). The allotment orders for distribution through PDSare issued by GOI about one month in advance and simultaneously equivalent quantity is released from Sugar Mills in favour of FCI to meet the requirements. Major portion of levy sugar is procured by FCI from the Sugar Mills situated in Maharashtra and Uttar Pradesh. For A&N Islands and Lakshadweep, Government of India makes the allotment on six monthly basis i.e. January to June and July to December.

Mode of payment:

In case of of Rail movement, on receipt of the Release Order from the Government of India, 100% payment will be released to the sugar mills after loading the stocks in the railway rakes & handing over the clear RR to FCI.

In the case of road movement, full payment is to be made on loading of stock in the truck of the buyer. In order to facilitate payments to the Sugar Mills, appropriate Cash Credits have been fixed for FCI's field level offices and these are by and large, quite moderate and sufficient to meet the requirements. However, the Cash Credits, wherever felt necessary, are revised due to revision in allocation of levy sugar. The Sugar Mills are required to deliver the stocks in new AT gunnies (machine stitched) with 100 kg. net filling.

Purchase Price:

The ex-factory prices for levy sugar are notified by the Government of India with reference to cane crushing season(October to September) every year, which vary from State to State. Depending on the geographic location of the Mills, these prices sometimes differ for different Mills in the same State also. The ex-factory prices notified by the Government of India are inclusive of transportation charges upto 5 kms for movement up to the loading point from the factory premises in case of movement to railheads or out agency booking centre.

Distribution:

The stocks of levy sugar despatches from the Sugar Mills are received at various destinations of the States where FCI is handling levy sugar operation. The stocks are stored in FCIgodowns and are subsequently issued to the State Government nominees against appropriate authorisation by the State authorities, at a uniform Retail Issue Price which is Rs.1350/- per quintal w.e.f., 1.3.2002. The elements of handling margins and transport charges fixed by the Government of India periodically for the wholesalers, sub-wholesalers and retailers are adjusted against the retail issue price while issuing Release Order on receipt of financial arrangements from the State Government nominees before delivery.

Ministry of CAF&PD and FCI monitor the availability of stocks of levy sugar in the FCI depots and the supplies to the State Governments for PDS/PMF on weekly basis on the reports received from Regional Offices for advance planning movements of levy sugar from Sugar Mills.

Sugar Price Equalisation Fund (SPEF):

Government of India set up a non-statutory fund called Sugar Price Equalisation Fund (SPEF) as a corollary o the introduction of levy sugar Scheme that is maintained by Food Corporation of India on behalf of Government of India. All receipts and payments for levy sugar operation are met from the Sugar Price Equalisation Fund (SPEF) to make it self-balancing because Government did not consider subsidy for sugar operations.

In 'low cost ' areas (mainly sugar purchasing States), the difference between the value paid to the Sugar Mills and the value realized on sale of sugar, is required to be paid by the State Government to Sugar Price Equalisation Fund (SPEF) after adjusting the 'margins' admissible to them. In the case of 'high cost' areas, where the purchase price with admissible margins is higher than the sales relalisation, the payment to such excess amount is made out of the SPEF to the State Governments.

Government of India while revising the ex-mill prices of levy sugar after March, 1993 did not revise the issue prices correspondingly to the extent. In order to correct the position, Government of India releases subsidy from time to time for meeting the deficit in sugar operation.

Payment of differential claims to the Sugar Mills:

The Food Corporation of India received the price differential bills of the Sugar Mills on account of levy sugar from the Ministry of CAF&PD due to price revision made by the Govt. of India in ex-factory prices of levy sugar every year. The concerned Regional/District Office of FCI as per the Govt. of India's instructions issued from time to time makes payments of such price differential claims in respect of supplies to FCI. In respect of the stocks supplied directly to the State Governments/UTs, which are handling levy sugar at their own (without involving FCI), the claims are scrutinized/verified by the Directorate of Sugar, Government of India, who issues authorization to FCI for arranging payments to the Sugar Mills on behalf of the Government of India. The payments on this account to the Sugar Mills and the recoveries from the Sugar Mills on account of Sugar Development Fund are coordinated by FCI, Hqrs. with the field offices and Ministry of CAF&PD.

From 1999-2000 onwards the levy price differential claims in respect of dispatches also to direct allottee state being settled directly by FCI as per GOI order letter No.2-2/99-SCR dated 03.07.2000. (In respect of direct allottee states where the sugar delivered to the consuming states without FCI's intervention, the differential bill should be submitted by the concerned Sugar Mill with due certification duly verified by the State Govt. to our SRM in whose jurisdiction the Mills are located. SRM will arrange payment based on the verification done by the State Govt. after adjusting the amounts towards SDF&SPEF). It may kindly be noted Min. D.O. letter No.5-5/Margins/2012-CC-Pt dated 08.05.2013 has intimated - Sugar operation has been stopped since May, 2013. However, the payment regarding differential and LSPEF dues are being dealt through FCI ROs and Distt. Offices.

CHAPTER XII

SUPPLY TO DEFENCE SERVICES

12.1 Background:

The Food Corporation of India, since inception, has also been undertaking purchase and procurement of foodgrains to meet Army demands, which was being performed by the Department of Food. Besides wheat and rice, the procurement and supply of grams, coarse grains and other cereals was also being done by FCI which are now being taken care of the Army Purchase Organisation (APO) under the Ministry of Defence. The system of prepayment for supply of foodgrains to Defence Services was introduced w.e.f., 1st April, 1993.

12.2 Allocation:

Ministry of Consumer Affairs, Food and Public Distribution conveys the sanction for allocation of wheat and rice (Grade-A) to the Defence Services for the financial year well in advance based on the requirements intimated by the Ministry of Defence(APO) subject to the following terms and conditions :-

(i) The Army Hqrs. will issue the break-up of Command-wise allocation for the whole year, the exact quantity to be collected on quarterly basis by the Army Supply Depots located in the geographical limits of Army Commands will be coordinated by MG ASC HQ Command.

(ii) The total quantity of rice and wheat to be supplied by FCI to Defence Services shall not exceed the total yearly allocation made in the beginning of the financial year and the quantity to be allotted for quarterly period will not exceed 1/4th of the total allocation.

Ministry of Defence (APO) will subsequently furnish break-up of Command-wise sub-allocation to FCI, Hqrs. to be collected by the Army Supply Depots located in the geographical limits of Army Commands to be co-ordinated by MG ASC HQ Command, on which authorization of FCI, Hqrs. is immediately communicated to the Executive Directors and General Manager(Regions) for release of stocks accordingly, who should also ensure that Hqrs instructions are passed on to the District Managers and Depot-in-Charges expeditiously. However, in the absence of orders, the District Managers/Depot-in-Charges will honour FCI, Hqrs. release instructions produced by the Defence authorities to avoid any delay.

12.3 Validity of allocation:

The allocation of foodgrains (wheat/ rice) to Defence Services for each quarter is valid for making financial arrangements and lifting from FCI depots by the Defence Authorities for 225 days i.e. 15 days before commencement and 4 months (120 days) after the close of quarterly period concerned.

Since the allocations are to be made on yearly basis, the overall validity period for lifting of the total quantity of wheat and rice allotted for a financial year shall extend upto 4 months (120 days) beyond 31st March of the year concerned. This will be in conformity with the existing validity period of 225 days for a quarter.

12.4 Price:

Defence Services will be supplied foodgrains by FCI at an average Economic Cost from FCI Depots on pre-payment besides Sales Tax, Market Fee and other terminal taxes etc. as per practice being followed hitherto. The Defence authorities may, at their discretion, purchase wheat from FCI under Open Market Sales Scheme(Domestic) at the rates(ex-FCI Depot) applicable from time to time.

12.5 Procedure for supply:

The procedure governing the supply of foodgrains to Defence Services on pre-payment system effective from 1st April,1993 and various steps for drawal of the requirements from the nominated FCI depots by the Defence authorities, which were finalised in consultation with Ministry of Food, Ministry of Defence(APO), Army Headquarters and Controller of Defence Accounts is elaborated in FCI, Hqrs d.o. letter no.4(18)/91-S.I, dated 3.3.1993 to facilitate smooth supply of the allotted quota to Defence within the stipulated period.

The Ministry of Defence (APO) also issued details of the matching of ASC Depots, FCI Depots, FCI District Office, concerned Composite Food Laboratory(CFL) and the designated CDA office in their letter no.J-13014/1/94-Pur.I, dated 21st July,1994 .

As there is no provision of reimbursement of transportation charges to Defence except in North-Eastern States including Sikkim, the supplies to Defence are made from the nearest FCI depot to keep the transportation charges minimum.

12.6 Supply of wheat to Defence under OMSS(D):

The Ministry of Defence has been allowed to purchase wheat from FCI from August,2000 against allocation made for the financial year 2000-2001 in bulk under Open Market Sale Scheme(Domestic) of wheat at Open Market Sale Rates(ex-FCI Depots) fixed from time to time. The FCI will supply wheat to Defence Services under OMSS(D) till the Scheme continues.

The terms and conditions for supply of wheat to Defence under OMSS(D) are given in the Ministry of Consumer Affairs, Food and Public Distribution O.M. No.1/Defence/2000-BP.II, dated 14.9.2000.

Ministry of CAF&PD further decided that the Defence Services may be allowed to purchase wheat allotted to them from the Central Pool for 2001-2002 as well as for the previous year 2000-2001 (under extension of validity period given/ to be given) under OMSS(D) of wheat, at a uniform price of Rs. 700/- per quintal throughout the country w.e.f., 1.6.2001 until further orders, which was made applicable w.e.f. 1.4.2001 vide Ministry of CAF&PD letter No. 1/Defence/2001-BP-II, dated 6.6.2001 and 27.9.2001.

12.7 Recovery of local taxes:

In respect of supplies of foodgrains by FCI, the Defence authorities, besides payment of cost, are also required to pay local taxes e.g., Sales Tax, Market Fee, Octroi charges etc. unless those are not exempted by the competent authority of the State Government. Such local taxes, which are leviable as per Rules/Act, are also realised by FCI (Seller) from all recipients (Purchasers) including Defence as per the statutory obligation and the same are deposited with the concerned Department of the State Government.

Since FCI is not transporting rice and wheat exclusively for Defence and the supplies to Defence are made from the general lots in the FCI depot, it is not feasible for the Corporation to claim exemption from such terminal taxes etc. from the local authorities. However, the Defence authorities may approach the concerned State Govts. for exemption from such charges, fees, taxes etc. and for issue of necessary exemption orders.

This has also been concurred by the Ministry of Food & Consumer Affairs in its letter no.1/Defence/98-BP.II(meeting) dated 26/2/1999 to the Ministry of Defence(APO).

12.8 Quality Confirmation:

Defence Services are supplied good quality of wheat and rice (Grade-'A') conforming to prescribed specification, which are selected by them from the stocks available in the FCI Depots. Defence is the only Agency to whom the facility of pre-inspection of stocks is allowed by FCI before delivery.

12.9 Holding Minimum Stock Level(MSL) by FCI for Defence:

The Ministry of Defence (APO) proposed to maintain Minimum Stock Level (MSL) for wheat and rice by FCI Depots for Defence. This concept emerged from that being followed by IOC for supply of petroleum products for Defence. The Army Headquarters (AHQ) clarified that the MSL is not for peacetime requirement and is intended to be drawn to cater for additional requirement during operational contingencies and national emergencies.

Accordingly, it was decided, in consultation with the Ministry of Consumer Affairs and Public Distribution, that the maintenance of Minimum Stock Level by FCI at the identified depots separately for rice and wheat was unconnected with regular supply to Defence against normal/quarterly allocation. The MSL aims to meet the requirement of the Army in times of emergency, which has been assured by FCI.

12.10 Reimbursement of RTC to Defence :

The Ministry of Food, on line with the provisions available for lifting foodgrains under PDS from Central Pool, allowed reimbursement of transportation charges by FCI to Defence Authorities for supply of foodgrains in North-Eastern States, which was further extended to Sikkim.

The terms and conditions for reimbursement of transportation charges to Defence in North-Eastern States including Sikkim are given in the Ministry of Food letter no.179(1)/92-PY.I dated 14.2.1992 and no.179(3)/98-PY.I dated 12.7.2000.

The Ministry of CAF&PD has not acceded to the request of Ministry of Defence to extend the facility for reimbursement of transport charges to other States. Ministry of CAF&PD O.M. no.1/Defence/99/BP.II dated 28th March, 2001.

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CHAPTER XIII

SUPPLY TO PARA-MILITARY FORCES

13.1 Allocation:

Ministry of Consumer Affairs, Food and Public Distribution issues allocation of foodgrains (wheat/rice) to Para-Military Forces e.g. Border Security Force(BSF), Central Reserve Police Force(CRPF) and Indo-Tibetan Border Police(ITBP) stationed at different locations in the country from time to time .

The Ministry of CAF&PD issues allocation/ sanction on the event of shifting/ transfer of a Battalion as per the request of Director General, BSF/CRPF indicating the quantity of wheat and rice to be supplied by FCI per month for the number of personnel, on which FCI, Hqrs. authorisation is communicated to the filed offices.

The monthly quota of wheat and rice sanctioned for the personnel transferred/shifted in the Battalion is correspondingly reduced from the quota previously sanctioned for the Unit from their place of transfer.

13.2 Scale of ration:

The sanctioned scale of ration of foodgrains for supply to CRPF/BSF Battalion is @ 10 kg of wheat and 5 kg of rice per personnel per month.

13.3 Supply of foodgrains:

The Food Corporation of India supplies foodgrains(wheat/rice) to the Para-Military Forces as per the sanction issued by the Ministry of CAF&PD, from the nearest FCI depot on the requisition of the Commandant concerned @ 10 kg of wheat and 5 kg of rice per personnel per month for the total number of personnel attached to each Battalion.

13.4 Price:

Food Corporation of India supplies good quality of foodgrains(wheat/rice) conforming to the specification on pre-payment of cost plus administrative charge of Rs.2/- per qtl. The supply of foodgrains to para-military forces were being made at Central Issue Prices till May, 1997 and from 1.6.1997 onwards the supplies are being made at Economic Cost as applicable from time to time.

13.5 Quality Confirmation:

The foodgrains (wheat/rice) conforming to FAQ specification are supplied from FCI Depot to the Para-Military Forces on joint sampling. Before issue of stocks, the recipient is allowed to satisfy himself about the quantity and quality of the stocks being issued and a certificate in this regard should be obtained.

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CHAPTER XIV

ISSUE OF FOODGRAINS FROM FCI DEPOTS

14.1 Issues to State Governments/Government Departments:

The Food Corporation of India issues foodgrains(wheat/rice) form FCI Depots to State Governments and Government Departments e.g. Defence, Para-Military forces etc. The allocations to the State Governments/UTs for TPDS and other welfare schemes and to Defence Services are issued by the concerned Nodal Ministries of Government of India.

The allocation to the Executive Directors (Zone) and the General Managers(Region) are communicated immediately by the FCI, Hqrs. as per directions of Ministry of CAF&PD from time to time. It will be the responsibility of the General Manager (Region) to issue proper allocation to the District Manager who will issue Release Orders/Delivery Orders accordingly to the Depot Incharge. The issues are to be made on the basis of Release Orders/Delivery Orders issued by the District Manager as per the allocation from the General Manager.

14.2 Release Order:

The Area Manager will issue specific Release Order to the Depot Incharge indicating the name of the allottee/recipient, variety/category of grains, quantity , rate, value etc.. The Area Manager will issue the Release Order only after realising the cost of the grains and local taxes etc., in advance as per the terms and conditions. It will be the responsibility of the General Manager to issue proper/specific allocation to the Area Manager.

The Depot Incharge in checking the Release Orders issued by the Area Manager to the State Governments/Government Departments should follow the following instructions :

(i) The copy of the Release Order marked ' Original ' would have been sent in a sealed cover to the Depot Incharge from which the stocks are to be issued, either by Registered Post or by a special messenger. On receipt of this copy, the Depot Incharge should examine it to see if the Area Manager/authorised signatory has signed it and that the signature on the Release Order tallies with the specimen already available with him.

(ii) When the purchaser presents his copy of the Release Order marked ' Duplicate ' for obtaining supplies, the Depot Incharge should examine that copy and satisfy himself that it is an exact facsimile of the ' Original ' already received by him and has also been signed by the Area Manager/authorised signatory.

(iii) The Depot In-charge will, on no account, issue any grain to any purchaser on the basis of the ' Duplicate ' copy of the Release Order presented by him unless he has received the copy of the relevant Release Order marked ' Original ' from the Area Manager directly. The Depot Incharge will give no delivery unless the allottee/purchaser presents his copy of the Release Order.

(iv) Having satisfied himself, as above, about the genuineness of the Release Order presented to him, the Depot Incharge will arrange the supplies and obtain the acknowledgement of the purchaser on the copy of the Release Order marked ' Original ' . He will also deface the allottee's/ purchaser's copy of the Release Order marked ' Duplicate ' with a Rubber Stamp as follows :

" Stock issued on ....(Date) ".

Signature of the Depot Incharge.

v) The Depot Incharge shall record the under mentioned certificate on the copy of the Release Order received by him directly from the Area Manager marked ' Original '.

" Signature of the Area Manager/Authorised Signatory verified with the specimen available with me. Stock issued on

……………(Date). The purchaser's copy of the Release Order has been suitably defaced so that it can not be used again."

Signature of the Depot In-charge

vi) The Depot In-charge in support of the Daily Issue Statement will send all the copies of the Release Order.

vii) The Depot In-charge will retain the 'Triplicate' copy of the Release Order as his office copy.

14.3 Issue of foodgrains:

Issue should be made strictly according to the terms of the Release Order. The issues should be made from the stocks in order of priority fixed in accordance with the condition of the grains and the period for which it has been in storage.

14.4 Quality confirmation:

The foodgrains (wheat/rice) conforming to FAQ specification will be supplied from FCI Depot to the State/UT Governments and/or their nominees/agencies by way of joint sampling. Before issue of stocks, the recipient is allowed to satisfy himself about the quantity and quality of the stocks being issued. Three representative samples are drawn and sealed with joint seal from the stocks issued. One is given to the recepient for displaying at the issue/sale point and the two are retained by the FCI, one for depot and another for District Office. The certificate obtained from the allottee/recipient in support of acceptance of the quantity and the quality of the stocks issued in this regard should be available for verification by the competent authority as and when required. In case of any complaint, the sample from the field offices will be compared with the sample retained in the FCI Depot for further needful.

14.5 Price:

The foodgrains(wheat/rice) will be issued to the State Govts./Government Departments as per the terms and conditions of the allocation for TPDS and other welfare schemes at APL/BPL rates applicable for the scheme. The price of foodgrains will be exclusive of Sales Tax and other terminal taxes etc. wherever leviable and will be borne by the allottee/nominee unless exempted by the competent authority.

14.6 Weighment:

Bags of standard weight will be delivered on test Weighment on 10%. If the purchaser desires to have such bags weighed 100%, the cost of Weighment of the remaining 90% will have to be paid by him. Bags which have not been standardised, will be delivered on 100% Weighment at the cost of the Corporation.

The Weighment should be conducted in the presence of the purchaser or his authorised representative and he should be required to sign the Weighment check memo in support of acceptance of the quantity and quality of the stocks issued.

14.7 Delivery:

The delivery will be given ex-docks/godowns loaded into trucks/carts etc. brought alongside the docks/godowns. If the trucks/carts cannot be brought alongside the wharf/godowns, the delivery will be made ex-scales of the wharf/godowns gate etc.

14.8 Period of delivery:

The purchaser must complete the delivery within the delivery period specified in the Release Order. In the event of the purchaser failing to lift the entire quantity within the time specified in the Release/ Delivery Order, a storage charge as applicable as per the terms will be levied

POLICY FOR PULSE DISPOSAL

PSF

F.No. PS-01003/5/2017-PMC
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department Consumer Affairs
(Price Monitoring Cell)

Krishi Bhavan, New Delhi.-110001
Dated: 25th April 2018

OFFICE MEMORANDUM

Subject: Policy for Disposal of Pulses from Buffer created under the Price Stabilisation Fund (PSF) -reg.

Government has approved creation of buffer of upto 20 lakh MT of pulses for appropriate intervention to help moderate the price. In pursuance to this decision, Government procured under PSF while simultaneously undertaking disposal based on market and other considerations. Based on the decision, Government has taken from time to time, and taking into account the learning from ongoing disposal efforts, the D/o consumer Affairs, in consultation with D/o Expenditure, has finalised the 'Policy for Disposal of Pulses from Buffer' with the approval of the Minister of Consumer Affairs, Food and Public Distribution.

2. The undersigned is directed to enclose herewith the approved Policy for Disposal of Pulses from Buffer for your kind information.

Encl: as above

(Priya Sarraf)
Assistant Director
Tele: 23386127/ 2332

To,

The Secretary

PSF. - ...

Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Consumer Affairs

POLICY FOR DISPOSAL OF PULSES FROM BUFFER

The overarching framework for disposal has already been delineated in the notes for the Cabinet Committee on Economic Affairs (CCEA) approved on 09.12.2015 and 12.09.2016. The Price Stabilization Fund Management Committee (PSFMC) has been disposing the buffer based on this broad overarching framework for disposal.

Principles of disposal already approved by the CCEA

1. The allocation/release of the pulses to States/UTs from the buffer stock may be decided by the PSFMC based on a rational criteria taking into account the details such as demand from States, availability of specific pulse in the buffer stock, population, prices rise etc. Pulses would also be allocated/ released to Central Agencies, Government outfits and its organs/agencies based on need/exigencies. The remaining quantity for which no request is received from the States would be released through strategic open market sale based on considerations such as prices, availability, storability and appropriate stock management and with the approval of PSFMC. For managing the buffer, PSFMC may engage professional pulses buffer management entity the cost/charges of which would be borne from the Fund. (Para 4.3 of CCEA Note approved on 12.09.2016)

2. The allocation/release of the pulses from the buffer stock to States/UTs, Governments and its organs and Central Agencies may be decided by the PSFMC as indicated at para 4.3. The remaining quantity would be released through strategic open market sale based on considerations such as prices, availability, storability and appropriate stock management and with the approval of PSFMC. For managing the buffer, PSFMC may also engage professional pulses buffer management entity the cost/charges of which would be borne from the Fund. **(Para 8.4 of CCEA Note approved on 12.09.2016)**

3. Any losses incurred by the agencies in these operations may be met through budgetary provisions of PSF. (Para 8.5 of CCEA Note approved on 12.09.2016)

4. In the subsequent years, part of the revenue requirement for procurement would be covered by the sale proceeds of the pulses released from the buffer stock. However, such release/sale from the buffer stock may vary year to year depending upon the price and demand situation of pulses as well as stock management considerations. The requirement of funds in the subsequent years would,

therefore, be decided by PSFMC with the approval of Committee of Secretaries headed by Cabinet Secretary and projected in the Annual Budget of the Department. **(Para 8.6 of CCEA Note approved on 12.09.2016)**

5. Any subsidy to State Governments/Consumers on disposal of these pulses may be decided by Minster of Consumer Affairs, Food & Public Distribution on the recommendation of COS. This may be provided from funds available under PSF. **(Para 8.7 of CCEA Note approved on 12.09.2016)**

6. **Approval and Write-off of losses in buffer operations.**

6.1 The CCEA has approved that any losses incurred by the agencies in buffer operations may be met through budgetary provisions of PSF. Department of Expenditure has conveyed that the write-off of losses would be as per Rule 223 of GFR read with Schedule VII of Delegation of Financial Powers Rules. **(DoE note dated 29/12/17 is Annexed)**

7. Release to Central Agencies, Government outfits and its organs

7.1 The CCEA in its meeting held on 10.11.2017 has approved utilization of pulses from the buffer stock through Central Government Schemes having a nutrition component and for the services of catering, hotels etc. This essentially entails that Ministries/Department offering nutrition/protein component under their respective schemes, may meet their requirement of protein by taking pulses from buffer and offering it in 'kind'. It also lays down the pricing mechanism for such disposal which is as under

i. Pulses from the buffer may be offered by DOCA through its designated agencies at prices as may be determined as follows:

a. For Central Sector Schemes (CS), the Committee of Secretaries (CoS), chaired by Cabinet Secretary may recommend the offer rate based on the proposal moved by DoCA taking cognizance of the cost of pulses in buffer as finalised by DoE.

b. For Centrally Sponsored Schemes (CSS), the prices of pulses from buffer may be guided by the market rates when the market rates are lower than cost of pulses from the buffer. The appropriate criteria for arriving at the market rate may be recommended by PSFMC and implemented with the approval of CoS.

High Market Price

c. In a high market price scenario, the rates may be recommended by CoS based on considerations such as cost recovery, exigencies, stock position, price intervention needed etc.

d. The subsidy requirement, if any, emanating from such supply, either under CS or CSS would be met from Price Stabilization Fund and as per the procedure approved by CCEA in its meeting of 12 Sep, 2016.

e. These prices may be reviewed at a predetermined periodicity.

ii. The logistics/transport cost of supply of pulses would be borne as per the existing provisions wherever applicable. The specific details of cost sharing for logistics/transport, if required, would be finalized by the concerned Department in consultation with DoCA and with the approval of CoS.

iii. The Payment for the supply of pulses from the buffer may be made by the concerned Central Ministry / Department operating the scheme against the bills submitted by the designated agency.

iv. Ministries/Departments and their agencies, which provide food/catering/ hospitality services, should make serious efforts including enabling provisions in their commercial arrangements(tenders/contracts) to ensure that requirements of pulses for their operations are met through Central buffer of pulses built through PSF.

Release to States

7.2 Disposal/release to States/UTs would be guided by the following principles:

i. In the years when prices of pulses are low, States may be offered pulses from buffer at market price/dynamic reserve prices. During the years of high prices States may be offered pulses based on the cost as suggested by Chief Adviser Cost in DoE and arrived at with the recommendation of CoS.

subsidy ii. Subsidized pulses from the buffer may be provided to States as per the procedure approved by CCEA vide para 8.7 of its meeting of 12th September 2016.

8. Open Market Sale

SOMS

8.1 As per the CCEA decision, pulses are also being released through strategic Open Market Sale (OMS) based on the decisions of PSFMC/CoS. PSFMC has constituted two Coordination Committees for Disposal, separately for domestically procured and imported pulses.

8.2 PSFMC recommended that the strategic OMS for pulses should be undertaken through auction as per the First-In-First-Out (FIFO) principle. Also, the following criteria for setting the Dynamic Reserve Price (DRP) for market auction was recommended for approval of CoS:

i. Average of the last seven days modal price of the specific pulses in the mandis situated within 100 km of the godowns where the stock being auctioned is kept.

ii. The average landed price (C&F) of the import of specific pulses during preceding seven days for stock kept in warehouses/godowns near ports.

iii. Reports/Sources providing details on prices like Agmarknet, NCDEX, Agriwatch Market Intelligence Report, Level A Commodities Report, etc. may be used for validation.

10%

- The reserve price may be up to 10% lower than the indicative rate emanating from above criteria. The basis for the reserve price should be documented.
- Further 5% discount to states

8.3 Committee of Secretaries recommended the above criteria for consideration of Department of Expenditure (DOE). DOE gave its concurrence to the criteria for fixing dynamic reserve price for disposal of pulses nearing their shelf-life as a one-time measure for disposal. However, in case of the subsequent proposal moved by DoCA for disposal of additional 3.88 lakh MT of pulses nearing shelf-life, DOE agreed to disposal at the dynamic reserve price without any discount.

8.4 While considering the quantum of pulses that may be considered for market disposal, reconstituted PSFMC, in its 17th meeting held on 10th March 2017, had laid down the necessary criteria for identifying pulses that may be disposed of in the market on the basis of dynamic reserve price. The criteria for identifying the pulses as approved by the PSFMC are as under:

Criteria for market Sale

i. Domestically procured pulses viz. Tur, Urad, Masur and Chana stocks which are 9 months and older.

ii. Moong stocks which are 5 months and older

iii. Imported pulses which are 6 months and older from the date of landing.

The above age criteria may be utilized for identifying pulses for future market disposal also. PSFMC may, however, decide to hold pulses that are in good condition even beyond this period, based on the availability position, demand and price situation.

Hold pulses in Good condition

8.5 In view of the foregoing, the market operation would be undertaken for pulses identified as per the criteria proposed at para 8.4 above. PSFMC may change such criteria based on additional scientific input/experience, as and when required. The Reserve price for such disposal will be guided by the criteria as laid down at para 8.2. (i) to (iii) above. However, these criteria would be subject to following conditions:

Provision. Change in criteria - Based on additional scientific input/experience as and when required

i. Discount, if any, on such reserve prices would be available only on recommendation of CoS. Such decisions of offering discount on the reserve price would be guided by successive bids failing to attract reserve price, age of the stock, condition of the stock etc.

ii. Small quantities of up to 100 MT of residual pulses left in stock a warehouse/godowns may be allowed by PSFMC for disposal in spot auctions at Dynamic Reserve Prices.

Spot-Auction

iii. Efforts would be made to improve participation and make the bidding process inclusive.

iv. In specific cases of non-availability of relevant data for determining DRP, based on recommendation of the Coordination Committee on disposal, PSFMC may allow taking prices in Mandis beyond the 100 Km radius for fixing DRP for disposal in such cases.

Beyond 100 km

v. Disposal from current/fresh stock to be on the cost recovery basis. Subsidy, if any, on this would approved by Minister (CA,F & PD) on recommendation of CoS. DoCA may take up such proposal for subsidy to CoS on recommendation of PSFMC.

OLD Stock

vi. The old stocks of pulses may be disposed at appropriate time in such a way as not to depress the prices realized by farmers.

vii. Any revision in the criteria for fixing the reserve price of the pulse for market disposal may be with recommendation of COS.

9. Monitoring Disposal of Pulses

9.1 Monitoring of disposal will be undertaken by PSFMC and DoCA on regular basis. The daily/regular disposal of the buffer may be undertaken by the two coordination committees on disposal set up by PSFMC.

Cost

10. Determination of Cost of Pulses

10.1 The cost of pulses in the buffer would be finalised by the Costing Cell of DoCA in consultation with Chief Adviser Cost in the Department of Expenditure. The procuring agencies will maintain transaction details as per the relevant accounting principles and keep the documentary records for the same. The agencies would keep the record updated at all times.

10.2 Maintenance of the records of expenses incurred on procurement or disposal by the designated agencies would be as per prescribed template. All the agencies shall maintain and provide the details of the account on monthly, quarterly, half yearly and annual basis. Agencies would present the record, complete in all respect, as and when sought.

Cash Reco

10.3 All the operative provisions of General Financial Rules, as amended from time to time including instructions of the Government for maintenance of buffer of pulses would apply mutatis mutandis. (अपना आवश्यकतानुसार परिवर्तित किये)

11. Physical and Financial Audit under PSF

11.1 In accordance with PSF Guidelines, implementing agency will be required to maintain subsidiary accounts of the interest free advance / loan and audited statement of accounts, along with profit & loss statement, income & expenditure statement, and detailed physical & financial progress report and provide to Fund Manager/DoCA a final statement of settlement of the accounts.

12. Review of Policy

12.1 Since the market of pulses is highly sensitive and volatile, the aforementioned policy and related mechanism may need changes from time to time so as to meet the challenges and minimize any avoidable loss.

12.2 Changes in the different aspects of the disposal mechanism, if any, will be based on recommendations of the PSFMC. PSFMC may recommend placing such changes for consideration of the Competent Authority.

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Annexure

Ministry of Finance
Department of Expenditure
PFC-I Division
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Subject: Enhancing the buffer stock of pulses to up to 20 lakh tones – reg.

The undersigned is directed to refer to notes on pg 47-51/N of Ministry of Consumer Affairs. Food & Public Distribution file No. PS-01003/2/2017-PMC dated 21-12-2017 seeking decision of Ministry of Finance in respect to the writing off of losses.

D FPR

2. Power to write off losses is provided in Rule 223 of GFR along with Schedule VII of Delegation of Financial Power Rules. Department of Consumer Affairs has estimated a loss of Rs. 439.17 crore for selling pulses in open market at reserve price. This is just estimation and actual quantum of losses will be known only after sale of the stock is materlised. Govt. of India's decision under Note on Schedule VII of DFPR provides that loss due to one specific cause should be written off at one time only. In the present case, the quantum of losses will only be final when sale of pulses takes place.

439.17

3. Therefore, the issue of writing off of losses will only arise once PSFMC liquidates the stock in question as authorized by CCEA. Deptt. of Consumer Affairs is therefore advised to complete the liquidation of pulses by PSFMC and move specific proposal for writing off of losses under Schedule VII of DFPR only after ascertaining the final quantum of losses once the sale process is completed.

4. This issues with the approval of Secretary (Expenditure).

Swati 29/12/2017
(Swati Singla)
Deputy Director (PFC-I)
Tel: 23095672

Ministry of Consumer Affairs, Food & Public Distribution
Department of Consumer Affairs
(Shri Nikhilesh Jha, SS & FA)
Krishi Bhawan, New Delhi

MoF, D/o Expenditure ID Note No. 38(02)/PF.II/2008 (Pt.) dated 29th Dec,2017