

REPORT OF THE COMMITTEE ON DEMAND OF CWC /MSWC FOR 8% SUPERVISION CHARGES ON H&TC BILLS IN CASE OF PRIVATE GODOWNS UNDER PEG

1. INTRODUCTION:

1.1 FCI H.Qrs. vide communication No.E.3(28)/08/HLC/STG.IV/Vol. IV dated 03.06.2015 has constituted a committee under the chairmanship of ED(WZ) consisting of CGM(Fin.),H.Qrs , GM (Maharashtra), GM (Lucknow), GM (Punjab) and GM(S&C), Hqrs. The mandate before the committee was to deliberate and recommend on the demand of CWC / MSWC for payment of 8% supervision charge on H & T bills in case of PEG godowns.

1.2 The demand of CWC / SWCs was placed before the HLC who in their meeting held on 25.05.2015 decided to pay 8% supervision charges for the godowns constructed by CWC / SWCs on their own land. However, regarding payment of 8% supervision charges on H&T bills to nodal agencies for godowns constructed by private investors under PEG scheme, the matter was referred to the committee as mentioned above.

2. DELIBERATIONS HELD BY THE COMMITTEE:

2.1 The committee met on the following dates:

| Sr. No. | Date of meeting | Remarks |
|---------|-----------------|--|
| 1. | 15.06.2015 | In the Committee Room, FCI, Hqrs. |
| 2. | 20.01.2016 | After MPR meeting. |
| 3. | 29.1.2016 | In committee room, Hqrs and through Video Conferencing with GM (UP); GM (Punjab) and GM(Mah.). GM(Stg), CWC was also present, representative of MSWC through VC. |

2.2 Committee in its first meeting held on 15.06.2015 deliberated in detail the operations being carried out in PEG godowns in different regions under different scenarios and noted that there is no uniformity in the actions being taken by various regions on this issue. Committee was of the view that it is important to ascertain the amount spent by nodal

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agencies towards supervision of H&T operations and storage operations and thus decided to collect concerned data in **Annexure I to V.**

2.3 During its second meeting held on 20.01.2016, committee noted that despite repeated reminders and even after lapse of six months, CWC/SWCs of a number of Regions could not furnish the requisite information. Thus, it was decided to proceed with whatever information had been received from the regions.

2.4 Committee again met on 29.01.2016 in committee room of Hqrs including GM(UP), GM(Punjab) and GM(Maharashtra) through video conferencing in the Committee Room of FCI, Hqrs., New Delhi. The deliberations made during the meeting are as under:

3. INSTRUCTIONS ON THE SUBJECT / PEG GUIDELINES:

3.1 As per para 14 of PEG-2008 scheme and 10.1 of PEG-2009 scheme, supervision charges payable to the nodal agencies in respect of godowns constructed by private investors will be upto maximum limit of 15% of the approved rent.

3.2 The committee was informed that the matter regarding payment of 8% supervision charge in addition to 15% supervision charge payable to nodal agencies in respect of godowns constructed by private investors was examined earlier in Hqrs in consultation with Finance Division on the reference received from FCI, RO, Haryana. It was observed that under PEG scheme, provision of 8% supervision charge on H&T bills in addition to 15% supervision charge payable to the nodal agencies, has not been made and thus was not be agreed upon. The decision was communicated vide FCI letter dated 18.12.2012 **(Annexure-VI).**

4. LOGIC GIVEN BY CWC/MSWC FOR CLAIMING 8% SUPERVISION CHARGES ON H&T BILLS:

4.1 CWC/MSWC argued that in general hiring of godowns from CWC/SWC, they are paid 8% supervision charges on H&T bills while in case of PEG godowns constructed by private investors, same is not being paid.

4.2 In appointment of H&T contractors, they have to incur overhead expenses on account of tender process, supervision of H&T works, maintenance of audit account, bill clearance, legal

