फैक्स नं.: एचएफसीआई एनडी

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## CIRCULAR

CWC/SWCs have been raising the issue for supply of gunnies by FCI for replacement of gunny bags due to normal wear and tear during handling in case of PEG godowns. Clause 2.4 of the Agreement of Guarantee to be executed between FCI and CWC/SWCs/State Agencies for non-DCP states provides that

"The cost of gunnies used for replacement of gunny bags due to normal wear and tear during handling shall be borne by CORPORATION. The cost of jute twine or any other packing/stitching/mending material used by CORPORATION for repair of gunnies shall also be included in the storage rent payable to CORPORATION, since such small activities are part & parcel of normal storage process"

Keeping in view the broader implication, being a policy issue, the matter was placed before HLC in its 43rd meeting held on 25.05.2015. HLC noted following two aspects of the matter:

- i) Supply of gunnies for replacement of cut and torn gunnies received at the railhead and for filling up of Palla (loose grains).
- ii) Supply of gunnies for replacement required due to wear and tear during handling of stocks in the godown/warehouse.

After detailed deliberation on the dynamics of handling operation, HLC decided that FCI may supply SHS/once used gunnies for collection of Palla and replacement of cut & torn gunny bags received/unloaded at railhead/goodshed, only at the time of handing over of stock to CWC/SWC/State agencies. The gunnies used for replacement and collection of palla will have to be certified by the ICCS deputed at the railhead. However, as far as supply of gunnies during handling of stocks in the godown/warehouse is concerned, it has been decided that the cost of gunnies used for replacement of gunny bags due to normal wear and tear during handling in godown/warehouse shall be borne by Agencies as it is part and parcel of godown operations.

All concerned are requested to take action accordingly.

(Sanjeev Gautam) General Manager (S&C)

## Distribution:-

1. Executive Director (Zone), FCI, Zonal Office, Noida/Mumbai/Chennai/ Kolkata/Guwahati.



- 2. General Manager (Region), FCI, Regional Office, Hyderabad/Patna/Raipur/Ahmedabad/Panchkula/Shimla/Jammu/Ranchi/Bengaluru/Thiruvananthapuram/Bhopal/Mumbai/Bhubaneshwar/Chandigar/Jaipur/Chennai/Lucknow/Dehradun/Kolkata/Guwahati/Shillong/Imphal/Dimapur/Itanagar.
- 3. Managing Director, CWC, 4/1 Siri Institutional Area, Hauz Khas, New Delhi.
- 4. Managing Director of all State Warehousing Corporations.
- 5. Executive Director (Finance/Procurement/Sales/QC/Movement/Purchase/Vigilance), FCI, Hqrs., New Delhi.