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20-3/2007-FC:II
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
(Department of Food & Public Distribution)

Krishi Bhavan, New Delhi-110001
Dated 13th July, 2009

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|---|---|
| 1. Chairman and Managing Director,
Food Corporation of India,
New Delhi | 2. The Food Secretary,
All States/UTs. |
| 3. Chairman-cum-Managing Director,
Central Warehousing Corporation,
New Delhi | 4. The Managing Director,
All State Warehousing Corporations |

Subject:- Construction of godowns by CWC/SWCs on their own land under Five Year Guarantee Scheme - Circular dated 28.7.2008.

Sir,

I am directed to refer to this Department letter of even number dated 28.7.2009 regarding scheme for construction of godowns through private entrepreneurs.

2. In order to ensure expeditious construction of godowns by CWC and SWCs on their own land, the Scheme has been reviewed and it has been decided as under:-

- (i) Wherever CWC/SWCs have land and if this is within the identified locations and storage gap approved by High Level Committee of FCI, CWC/SWCs may construct godowns on priority;
- (ii) FCI will not invite tenders from private agencies for above identified locations/capacity;
- (iii) FCI will pay to CWC/SWCs hire charges at rates recommended by CAB/Tariff Commission for the relevant year;
- (iv) FCI will give a guarantee for assured usage of storage space for four years;
- (v) If in any year, on account of lower procurement or higher offtake, the storage space remains unutilized, FCI would continue to pay the hire charges at the above rates during the period of guarantee.
- (vi) In case the space hired under the scheme remains unutilized and the same is hired out by CWC/SWCs to other parties, the rent so received would be adjusted against the guaranteed amount for the period so hired out and surpluses, if any, shall be equally shared between FCI and CWC/SWCs.
- (vii) In case of any dispute, the matter shall be settled by the Department of Food and Public Distribution after hearing both the organizations concerned.

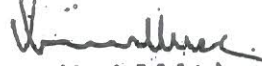
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The locations finalized by the High Level Committee of FCI will be reviewed by FCI. Tenders will not be invited for the locations where CWC/SWCs have land. In case the storage capacity offered by CWC/SWCs is less than the requirement of storage capacity approved by HLC at that location, tenders may be issued for the balance capacity.

In order to ensure that additional storage capacity becomes available, CWC/SWCs may urgently undertake construction of godowns at the identified locations.

Yours faithfully,



(Amit Mehta)

Director (FCI)

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