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No.20-3/2007-FC-II  
 Ministry of Consumer Affairs, Food & PD  
 Department of Food & Public Distribution  
 Krishi Bhawan, New Delhi- 110001

Dated, the 3rd June, 2010

To

1. Chairman and Managing Director,  
 Food Corporation of India,  
 New Delhi

3. The Food Secretary,  
 All DCP States/UTs *Mandhayan*

2. Chairman-cum-Managing Director,  
 Central Warehousing Corporation,  
 New Delhi

4. The Managing Director,  
 All State Warehousing  
 Corporations

**Subject: Construction of godowns for DCP States by CWC/SWCs on their own land under Guarantee Scheme - This Deptt's Circular No. 20-3/2007-FC-II dated 8.4.2010**

Sir,

I am directed to refer to this Department letter of even number dated 8.4.2010 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) The implementing agency will not invite tenders from private agencies for above identified locations/capacity;
- (iii) The Department of Food & Public Distribution, on the recommendations of FCI as per Clause 10.2 of the Scheme, will pay to CWC/SWCs hire charges at rates recommended by CAB/Tariff Commission/Chief Adviser Cost (Ministry of Finance) for the relevant year;
- (iv) FCI, on behalf of the Government of India, will give a guarantee for assured usage of storage space for 6 years. The State Government would undertake the optimal utilization of the godowns;
- (v) If in any year, on account of lower procurement or higher release, the storage space remains unutilized, the Department of Food & Public Distribution, on the recommendations of FCI as per Clause 10.2 of the Scheme, would pay the hire charges for the unutilized space.

*[Signature]*  
 3rd June 2010

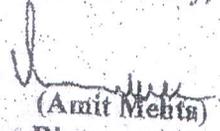
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- (vi) In case the space hired under the scheme remains unutilized and the same is hired out by CWC/SWCs to other parties, the rent so received would be adjusted against the guaranteed amount for the period so hired out and surpluses, if any, shall be equally shared between FCI on behalf of the Government of India and CWC/SWCs.
- (vii) In case of any dispute, the matter shall be settled by the Department of Food & Public Distribution after hearing the organizations concerned.
- (viii) 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.

Yours faithfully,

(Amit Mehta)  
Director(FCI)

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