

ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED
Regd. Office: 6-3-655/1/A, CIVIL SUPPLIES BHAVAN, SOMAJIGUDA, HYDERABAD-82

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SRI K. RAMGOPAL, I.A.S.
VC & MANAGING DIRECTOR

Lr.No. Mktg. M2/273/Rabi 2015-16

Dated: 04.07.2016.

To
All the Joint Collector & EOEDs.
APSCSCL, AP State.

Sir,

Sub: APSCSCL – Marketing – Procurement of paddy under MSP- Guidelines on CMR deliveries, Collection of CMR acknowledgements from depots, claiming of CMR bills with FCI and its realisation in time- Reg.

The APSCSCL, as a Nodal Agency, is procuring paddy from farmers under MSP operations since KMS 2000-01. Now, the paddy procurement under MSP has been drastically increased from KMS 2014-15. The total expenditure is being borne by the Corporation through the funds borrowed from RBI. The expenditure spent on MSP operations is reimbursed by GOI. As per the Standing Operational Procedure (SOP), the APSCSCL prefers the claims of CMR with FCI for reimbursement. During the process, it is noticed that there is abnormal delay causing in different stages of collection of acknowledgements, preparation of claims and realization of amounts from FCI. Thus the Corporation is facing financial crisis as the funds are flown from RBI on interest. In view of the seriousness of getting funds from FCI, the following guidelines are issued to all the districts to streamline the system for early realization of amounts from FCI.

1. Timely delivery of CMR by the designated Rice Millers: The designated Rice Millers shall deliver the resultant CMR against the paddy supplied during the season as per GO guidelines issued vide G.O.Ms.No.23, dt: 23.11.2015. The delay in CMR deliveries shall be curbed immediately with frequent visits to the designated mills by the officials deployed from other departments / CS departments and ensure the timely delivery of CMR invariably. In case, abnormal delay is noticed at any point of mill, the miller should be served the notices quoting penal clauses as per the agreement entered into by the designated miller with APSCSCL.

2. Collection of acknowledgements from FCI depots on daily basis: Several instructions were issued to paddy procuring districts to obtain the acknowledgments towards acceptance of CMR at depots of FCI immediately for processing claims. Any delay in this process may cause to the realisation of funds from FCI. The District Managers are aware that the acknowledgements are the important documents to get the cost reimbursed by GOI / FCI. Any negligence in collection of ACK may lead to block of funds at FCI level and the burden of interest to the cash credit lies on the APSCSCL. Since, the collection of ACKs in time is very important for claims, the services of Asst. Manager (Gen.) shall be utilized. The AM (Gen.) shall monitor accordingly.

As a matter of fact, the FCI has issued clear guidelines vide Lr.No.Proc.9(1)/2013-14/CMR State Dt.13-03-2015 that FCI shall handover ACKs to the representatives of DMs, CSC only and that APSCSCL Ltd., may be requested to send their representatives along with consignment and / or to collect the ACKs on the same day itself. Nevertheless, there is abnormal delay in collection of ACKs and final acceptance notes from FCI depots. Some instances have come to the notice of Head Office, the ACKs were lost or misplaced for which the APSCSCL was unable to prefer claims within time. In order to regulate the collection of Acks & FA notes a perfect & permanent system shall be implemented to arrest the loopholes.

3. Preferring of CMR claims with FCI & realisation on daily basis: As and when the acknowledgements are received in the District Office, CMR Bills shall be prepared duly enclosing requisite certificates/ documents to the FCI and send through special messenger. The total amount claimed shall be released immediately. A responsible employee in the cadre of Accountant / Assistant shall be deputed to the Area Manager's office for monitoring and quick settlement of claims. The AM(Accts) shall be held responsible for timely preferring of CMR claims and its realisation from FCI. The District Manager concerned shall review daily and necessary action shall be initiated.

4. Realization of withheld amounts from FCI: Generally, the FCI withholds some amounts under different components which are included cost sheet of GOI for want of certificates / clarification / additional information, the same shall be attended on war footing basis for quick realization of withheld amounts from FCI.

5. Collection of once used gunnies and 2nd time usage for paddy procurement during the same season/next season:

The APSCSCL will release 160 kgs of paddy in 4 gunnies (40 kgs x 4 bags = 160 kgs) to rice miller for custom milling. In turn the miller will deliver 100 Kgs of CMR @ 67% in 2 new gunny bags (50 kgs x 2=100 kgs) and returns balance 2 empty bags to APSCSCL. The cost of gunnies which were utilised for CMR will be reimbursed by FCI with full cost and in respect of 2 empty gunnies returned by millers, the FCI will reimburse 40% of the actual cost towards gunny depreciation as per cost sheet communicated by GOI every year, against the CMR claims preferred by APSCSCL. These empty gunnies shall be re-utilised second time for paddy procurement, for which the FCI will also reimburse again 40% of the actual cost for 2nd time usage towards gunny depreciation against the CMR claims. If not use these gunnies for 2nd time for paddy filling, there is no scope to claim of 40 % depreciation as per GOI's norms. The remaining 20% of the gunny cost will be realized during disposal through auction. Hence, it is mandatory to use the gunnies twice for paddy filling to get the 80 % (40 % for 1st use & 40 % for 2nd use) of cost in the shape of depreciation from GOI. Otherwise, the CS Corporation will sustained more losses financially towards realization of gunny cost. The District Managers shall ensure the quality and quantity of OUGs. In case, non- return of gunnies by the millers, the proportionate vale of gunnies shall be recovered from the millers.

Therefore, the District Managers of CSC shall ensure that the receipt of once used gunnies (OUG) from the millers are in sound condition for use 2nd time filling of paddy. Precautions are to be taken while checking the gunnies from the millers. Gunnies after 2nd use should be properly accounted for and disposed in auction with prior permission of Head Office so as to get the maximum bidding to compensate the remaining 20% of the cost of the gunnies. Guidelines issued vide Circular No.182/Mktg,dt:30.03.2016 should followed in this regard.

6. Reconciliation of paddy & gunny accounts: The reconciliation of paddy and Gunny Accounts is a vital part of accounting procedure in order to get the amount reimbursed from the GOI against the huge amounts spent on MSP operations by State Government. It is the responsibility of all the stake holders in the chain to render the accounts properly in time.

Therefore, all the Joint Collector & EOEDs are requested to issue suitable instructions to all the stakeholders involved in the MSP operations to follow the guidelines scrupulously to ensure the perfection in each stage of MSP operations enabling the State Government to render the audited accounts to the GOI for reimbursement. Any slackness in this regard shall de-link the chain and ultimately

will be delayed.

DESPATCHED
ORDINARY / REGD. LETTERS
No. of Copies: 26

12 JUL 2016.

Yours faithfully

*dm
whlu*

For VC & Managing Director

Copy to all District Managers, APSCSCL - with a direction to form reconciliation team in the district offices with expertise employees so that the reconciliation of paddy accounts are submitted in time.

Copy to the General Manager (Admn & Finance), HO, APSCSCL.

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21/7/16*