

**SANJAY KAUL**  
**JOINT SECRETARY**

D.O. No. 7-1/2003-M.1

Dear Shri Gokhale,

भारत सरकार  
उद्योग और सार्वजनिक वितरण मंत्रालय  
सार्वजनिक वितरण विभाग  
एन. नई दिल्ली-110 001  
JOINT SECRETARY  
GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION,  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION  
KRISHI BHAWAN, NEW DELHI-110 001

26<sup>th</sup> March, 2003

The Chief Minister, Andhra Pradesh in his letter dated 26<sup>th</sup> February 2003 has sought the taking over of godowns by the FCI to an extent of 20 lakh MTs, in respect of which, as you would recall, the Department had conveyed approval under the Seven Year Guarantee Scheme. This includes cases where the godowns were not completed within the stipulated time, cases where the godowns are still under construction, as well as cases where godown construction is still to commence.

2. The matter has been considered and it has been decided, with the approval of the Minister of Consumer Affairs, Food & Public Distribution, as under:

- (i) In cases where godowns have been completed in all respects, the FCI may take over the godowns. However, the guarantee period will stand reduced by the extent of delay in completing the godowns.
- (ii) In respect of godowns that were to be constructed along with Railway sidings, the full seven-year guarantee period may be offered, provided the Railway siding was completed within twelve months.
- (iii) Out of (ii) above, where godown construction has been completed but the Railway siding was not completed within twelve months, the FCI may take over the godown, provided that the rental payable by the FCI may be reduced to 60% of the normal charge, till such time as the Railway siding is completed.
- (iv) Out of the balance (approximately 2.15 lakh MTs) in respect of which no agreements have been concluded between the FCI and the SWC, the FCI need not honour any commitments except in respect of 50,000 MTs at Tadepalligudem covered under the letters of the APSWC and the State Government in letters dated 21<sup>st</sup> March 2002 and 26<sup>th</sup> March 2003 respectively. In the instant case the FCI is to enter into an Agreement immediately. The Seven Years Guarantee Scheme would be applicable in this case prospectively on the same terms and conditions as mentioned above.

3. This issues with the approval of the Minister of Consumer Affairs, Food and Public Distribution.

With regards,

Yours sincerely,

  
( SANJAY KAUL )

Shri A.M. Gokhale,  
Chairman,  
Food Corporation of India,  
Barakhamba Lane, New Delhi.

Place in the file of circular/letters.

