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GOVERNMENT OF ODISHA  
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

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No. 5145 / Bhubaneswar dated the 20.3.12

PL 14/2012

From

**Shri Madhusudan Padhi, I.A.S.**  
**Commissioner-cum-Secretary to Govt.**

To

The Joint Secretary (Policy)  
Government of India  
Ministry of Consumer Affairs, Food & Public Distribution  
Department of Food & Public Distribution  
Krishi Bhawan, New Delhi

Sub: **Reimbursement of insurance charges on paddy and rice.**

Sir,

With reference to the subject cited above, I am to say that expenditure incurred by OSCSC Ltd. for procurement under Decentralized Procurement Scheme is reimbursed by Government of India as per incidentals provided in the provisional costing sheet issued for each KMS.

OSCSC Ltd. insures the stocks of paddy kept at mills premises under Joint Custody, the CMR at Mills before delivery to OSCSC Ltd./FCI and the CMR stored at godowns. Transit insurance is also made for the surplus rice transported to other deficit districts by Road and Rail. The insurance premium for one quintal of paddy and CMR comes to around Rs.2.50 per quintal. In the provisional economic costing of CMR, there is no provision to cover the insurance expenditure either at the acquisition and distribution stage. As the State faces natural calamities of Cyclone and flood regularly, the stocks of paddy & CMR gets damaged sometimes.

I would therefore request you to kindly to make adequate provision in the economic costing so that the expenditure of OSCSC Ltd. on insurance can be covered.

Yours faithfully,

Memo No. 5146 date. 20-3-12 *MGP/MSM/20-3-12*  
Commissioner-cum-Secretary to Govt.  
Copy forwarded to CMD, FCI, New Delhi for information and necessary action.

Memo No. 5147 date. 20.3.12 *MGP/MSM/20-3*  
Commissioner-cum-Secretary to Govt.  
Copy forwarded to M.D., OSCSC Ltd. for information and necessary action.

*MGP/MSM/20-3*  
Commissioner-cum-Secretary to Govt.