



ODISHA STATE CIVIL SUPPLIES CORPORATION LTD
C/2, NAYAPALLI, BHUBANESWAR-12

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OSCSC Ltd.
Corporate Office

File No.

A/C/Comp/OPC-1/14-15

No.

18321

Date

22.10.16

From

Niranjan Nayak, OAS (SAG)
Managing Director

To

The Dy. Secretary,
FS & CW Department, CIV
Govt. of Odisha, Bhubaneswar.

Sub: Comments for use of old bags for procurement of paddy during KMS – providing additional clause in existing Policy – regarding.

Ref: Your letter No.20155 dt.17.10.2016.

Sir,

Inviting the reference to above cited subject, I am to furnish the views of the Corporation as below on use of two new gunny bags (supplied by DGS&D) and two old bags arranged by this State Agencies.

- Procurement of Paddy and packing thereof is made by OSCSC in once used gunny bags. The custom millers procure such once used gunny bags for packing of paddy lifted from the Procurement Centers.
- Govt. of India has allowed the State for such packing of paddy in once used gunny bags vide letter No. 192926/2009-FC-A/Cs dt.06.04.2010.
- Govt. of India has now proposed –
 - i) for use of two new gunny bags supplied by DGS&D and two old bags to be arranged by State for packing of paddy equivalent to one quintal of rice.
 - ii) Two old gunny bags will comply the required quality specifications so that FAQ paddy is intact.
 - iii) For payment of usage charges for use of two old gunny bags.

Following issues may arise on implementation of the proposal –


- i) OSCSC as approved by Gol, has been using old gunny bags for packing of paddy. These gunny bags are supplied by the millers and make available at purchase centres (about 3000). Hence for the present KMS which has already commenced the proposal for use of two new gunny and two old gunny bags for paddy packing may not be feasible for the current KMS 2016-17.

P.T.O.

- ii) OSCSC is delivering about 16 LMT of CMR to FCI. The gunny bags required for packing of CMR should be new gunny bales. The paddy released gunny bales may not be suitable for packing of rice delivered to FCI since such rice is moved to other states by rake and there is use of multiple hooking in the process. The Storage & transit shortage & spillage may be more compared to new gunny bag packing.
- iii) The proposal of Gol for payment usages charges is not clear. It is understood that old gunny bags will be taken on rent and that would be returned to the lessor after release of paddy for milling. In Odisha such system of lending of gunny bags is not in vogue.
- iv) Two old Jute gunny bags are to be procured from the un-organized market. Market price of two once used gunny bags confirming prescribed quality specifications are Rs.30/- to Rs.34/- @ Rs.15/- to Rs.17/- per bag. The average cost would be Rs.32/- p.q. of Rice.
- v) The quality of such used gunny bags released after milling paddy would further deteriorate and may not comply the quality specifications for 3rd time use of their bags for packing of paddy. The resale value of two bags will be about Rs.6/- per bag or Rs.12/- per two bags.
- vi) As observed at previous Para the quality of gunny bags would deteriorates and will not be suitable for 2nd use. Hence the cost of two gunny bags i.e. Rs.20/- p.q., (Rs.32 – Rs.12) after adjustment of resale value should be allowed as usage charge/ gunny depreciation.

This is for your information and further action.

Yours faithfully,


Managing Director