

Operational Guidelines for the sale of foodgrains including broken rice through e-auction

DFPD has issued the OMSS (D) policy vide letter dated 02.07.26 which includes the sale of rice (Normal and improved), wheat and broken rice also. In order to further, streamline the process of sale of foodgrains including broken rice to private parties and other government agencies through auction, detailed operational guidelines to be followed by FCI:

1. **Reserve price:** Reserve price of the food grains (various categories) has been fixed by DFPD vide letter dated 02.07.26. The same should be applied and mentioned in the NIT to be floated on every week at Regional Office level.
 - (i) The reserve price in case of wheat is excluding the transportation cost. Accordingly, the depot wise reserve rates may be determined after adding the transportation cost from ex-Ludhiana (in case of wheat from Punjab and Haryana) and ex-Bhopal (in case of wheat from MP).
 - (ii) Whereas reserve price of rice is inclusive of transportation charges, hence, no additional cost is to be added to the reserve price of rice.
 - (iii) The auction for sale of broken rice will be conducted at DRP (Dynamic Reserve Price) fixed and communicated for every quarter.

2. **Validity period of OMSS(D):** The current policy is valid up to 30.06.27. Therefore, the lifting of stocks sold in the last auction will be allowed only till 30.06.27. The amount against the unlifted quantity may be refunded back to the successful bidders.

3. **Publicity and awareness of schemes among the interested bidders:**

Regional Offices will take necessary steps at their level for the publicity and awareness programs of the schemes through press releases and social media etc.

4. **Appointment of agency for providing the platform for auction:** Sale of food grains is conducted through **e-auction** on an approved electronic auction platform to keep the process transparent, competitive, and open to eligible bidders. Accordingly, FCI Headquarters has appointed M-junctions as agency for providing the platform for auction through transparent tender system for a period of two years which extendable for another one year.

(i) Eligible bidders: The eligible customers are:

- Bulk consumers.
- Flour millers and Manufacturers of rice products.
- Food processors.
- Private traders (for rice / broken rice only).

- Cooperatives/Cooperative Federations (where permitted under the scheme).

(ii)Registration of the Bidder:

At present M-junction Services limited is the service provider for e-auction and accordingly, the bidders must be registered on the designated e-auction platform as per the guidelines mentioned in the current MTF used for sale of wheat and rice under OMSS (D).

5. Publicity of the schemes:

Sales division of Headquarters will take necessary action for publication of the schemes and linkage of auction platform on websites/social media platforms.

- 6. Allocation of wheat/rice/broken rice:** After the issuance of OMSS (D) Policy, DFPD then communicates the allocation of wheat/rice/broken rice for various categories under OMSS (D). Once the allocation is received, FCI HQRS in due consultation of ZOs/ROs will provide the weekly region-wise quantity of wheat/rice/broken rice to all ZOs/ROs for offering in the weekly auctions.

General Manager (Region) will then review the depot-wise availability of stocks in their concerned Region and surplus wheat/rice over and above NFSA will be offered in the weekly auctions. The total offering of wheat/rice in the region will not cross the allotted Region-wise quantity by FCI HQRS.

General Manager (Region) will strictly adhere to the following instructions of the OMSS (D) policy while floating the NIT:

- (i) *E-auction/direct sale w.r.t Rice (Normal as well as improved) can be done only in deficit regions both during procurement and non-procurement periods.*
- (ii) *However, sale of rice during procurement period in deficit regions should be restricted to varieties of rice that are not being procured in the State during the procurement period. FCI shall coordinate with State Governments to ensure that rice varieties being sold under OMSS (D) are not procured from the State.*
- (iii) *Zonal/Regional offices FCI should also formulate adequate safeguards to ensure that the rice and the resultant broken rice sold under OMSS(D) is not recycled back.*

7. Selection of centers for offering:

Wheat:

As transportation is to be added in the reserve price of wheat, hence, the offering of wheat may be done keeping in view that the depot must be having surplus wheat over and above PDS requirement. Further, for wider outreach, the no. of depots may be maximized.

Rice:

As per Policy, no transportation cost is to be added in the reserve price of rice, hence, the offering of crop year wise rice may be done from the depots keeping in view that the availability of rice over and above PDS requirement and handling and transportation cost of the depot as well as its coverage.

8. **Auction notification:** FCI Regional Offices will publish the weekly tender on every Friday for the auction to be held on next Wednesday and Thursday (as per directions of HQ) indicating the following:

- Tender reference number and date.
- Commodity (wheat/rice/broken rice) (variety, grade, crop year, quality specifications).
- Tender opening date and time.
- Quantity to be offered along with Depot-wise details.
- Eligibility criteria for bidders.
- Earnest Money Deposit (EMD) requirements.
- Bid submission procedure.
- Evaluation criteria.
- Payment terms.
- Delivery schedule and conditions.
- Terms and conditions of sale.
- Dispute resolution mechanism.
- Contact details for clarification.

9. **EMD Deposition:**

EMD will be deposited by the bidder from the day of floating of the NIT till 06:00 pm of Monday. The remaining cost of the quantity won by the Successful bidders must deposited within the timeline mentioned in the tender document.

10. **Bidding process:** The bidder (s) shall participate in the e-auction separately for each Region against the GST/Trade Tax registration of that particular State/Region only. The bidder shall quote the rate per quintal at or above the reserve Price of wheat/rice/broken rice i.e. Rs. per quintal fixed by DFPD plus applicable taxes on E- Auction platform as depicted at Appendix-II of MTF. Applicable taxes will be levied extra. Each bid shall be for a minimum/maximum quantity per bidder for all the depots put together in a single e-auction as per MTF.

Against one PAN number, only one participation is allowed in one bid in a region, in each weekly auction, irrespective of the number of firms registered or multiple GST under the same PAN or the number of Branch offices in different states, subject to the maximum quantity that a buyer can bid under the policy guidelines.

Once submitted, the bids can be modified only upward in terms of either rate [in multiple of Re. 1/- (Re. One)] or quantity (in multiple of 1 MT) or both. All bid(s) shall be irrevocable. The bidders are not permitted to withdraw the bids. Bidders shall keep their offers open for acceptance for seven working days from the date of e auction, failing which the EMD furnished by the bidders is liable to be forfeited.

11. Acceptance of bid:

For acceptance of Bids, each depot shall be treated as a separate unit. Bid(s) will be accepted on the principle of Price, Time and Quantity. For each depot, first the quantity as quoted by H-1 will be approved at H-1 rates. Then the quantity as quoted by H-2 will be approved at H-2 rates. This process will continue till the depot wise quantity offered is exhausted. In case of similar rate being quoted by multiple tenderers at any stage i.e. H1, H2...etc., the available quantity (if less than the total bid quantity) shall be accepted on "first quoted first allotted basis" i.e. the bidder who has quoted the rate first will be allotted the bid quantity subject to availability of stocks for allocation. In case of similar rate being quoted by multiple tenderers at the same time, the bidder who has quoted for the higher quantity shall be allotted the bid quantity subject to availability of stocks for allocation.

12. Communication of Acceptance

The contract, if any, which may eventuate from the E-Auction, shall be governed by the conditions as mentioned in the terms and condition(s) for E-Auction, its Appendices and Annexures, Notice Inviting Bid and Acceptance Letter.

After the close of the e-auction, Acceptance letters will be communicated to the successful bidders by e-mail in the e-mail ID provided by the bidder at the time of empanelment and the same can also be viewed by logging into the system at <http://www.valuejunction.in/fci>.

The acceptance of the Bid by the General Manager or an officer authorized by him on his behalf shall constitute the contract between the bidder and the Food Corporation of India and no separate Agreement is required to be executed after the issue of the Acceptance Letter.

13. Payment and Delivery of stocks

The EMD furnished by the successful bidders shall be adjusted towards the cost of stocks and applicable taxes. The successful bidder(s) shall deposit remaining cost of the stocks along with applicable taxes within seven (07) working days from the next date of issue of the acceptance letter in FCI Bank. The total cost shall be deposited by the buyer in maximum two instalments within the above prescribed period.

Release order can be downloaded by the bidder only after deposition of full cost along with applicable taxes and no part Release Order shall be issued. For the purpose of depositing the cost of stocks/lifting of stocks, the day of communication of acceptance shall not be counted.

In case the successful bidder fails to deposit the balance cost along with applicable taxes & levies within the stipulated time, his bid is liable to be cancelled and the EMD furnished will be forfeited. No extension of time will be granted for deposit of Cost at any circumstance.

The buyer shall complete the lifting within fifteen (15) days subsequent to date of communication of acceptance by FCI. In case of any unforeseen/extrinsic or operational bottlenecks (continuous rake placement, labor issues, etc.) on the part of FCI causing delay in lifting of stocks by the party, a grace period of (3) working days would be granted from the last date of normal lifting period.

14. **Refund of EMD:**

The EMD of all unsuccessful tenderers shall be refunded within three working days from the date of issuance of acceptance letter to the successful bidder. GM(R) /ED(Z) will review the same periodically and ensure the compliance of the MTF clause in this regard.

15. **Quality**

- a. Stocks are generally sold on an "**as is where is**" basis.
- b. Quality specifications are indicated in the auction notice, and buyers may inspect stocks before bidding where permitted.

16. **Penalty/debarment of the successful bidders:**

An undertaking as per MTF on non-judicial stamp paper of Rs. 100 is required to be submitted to the Divisional Office of FCI before taking delivery of the stocks by the winning bidder. Failure to satisfy the aforesaid condition would result in cancellation of the bid and forfeiture of the EMD. If the bidder violates any of the terms and conditions of the empanelment or found to be furnishing any wrong or incorrect information at any stage, their EMD would be forfeited.

In case of event of any information found incorrect at any point of time, the party would be debarred for a period of (1) one year from participating in any e-auction under OMSS (D).

17. GOVERNING LAW & DISPUTES RESOLUTION:

The grievances of the affected bidders and general public will be decided by GM(Region) FCI in a time bound manner and if Bidder(s) is not satisfied/ still aggrieved with the decision of GM(Region), an appeal lies to concerned ED(Zone) FCI. ROs/ZOs will maintain proper records/statements of any such grievances/disputes for ready reference at any time.

Any unresolved disputes between the bidder(s) to the contract will be settled in the Court of Law of competent jurisdiction.

18. Accounting and documentation

- a. FCI records sales based on executed Release Orders through Anna Darpan.
- b. Sales are accounted for at the accepted tender/auction rate applicable GST and other taxes.

19. Payment to m-junction:

Regional Offices should ensure that the payments of the bills raised by the M-junction, the service provider against the quantity lifted are released within fifteen days.

Note: In case of any ambiguity, the MTF will prevail over these operational guidelines.
