



ROLE AND RESPONSIBILITIES
OF
EXECUTIVES
OF THE
FOOD CORPORATION OF INDIA



FOOD CORPORATION OF INDIA
NEW DELHI

Introduction

A booklet indicating demarcation of functions and responsibilities was issued by headquarters earlier in July 1971. Subsequent to this a booklet indicating functions and responsibilities of the senior officers of the Corporation was circulated in 1975. Since then there have been a number of changes in the organisational set up and allotment of duties and responsibilities among the various officers in the Corporation.

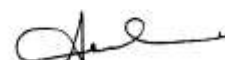
As the part of steps taken by Institute of Foodgrains Management (IFM) to upgrade itself it has embarked upon a programme which includes updating of the existing manuals and related instructions. This will equip the institute to guide the trainees and also provide useful input for other similar institutions.

With a view that the executives of the Corporation respond to the changing roles and are accountable for the performance of other people besides themselves, the existing booklet of the role and responsibilities of the executives of the Corporation has been reviewed. This is not merely clinical job descriptions but attempts to guide the officers in the discharge of their role and responsibilities. It is expected that this endeavour will help develop the clarity of roles of the executives in changing environment. This booklet would be more meaningful if read in conjunction with our Managing Director's letters to the field officers. Some of these are at appendix.

As we are firmly committed to excel in our performance, suggestions would be highly appreciated.



R.K. SEEWAL
EXECUTIVE DIRECTOR



R.C. CHOUDHARY
PRINCIPAL

Institute of Foodgrains Management

Date 13th May , 2004

From Managing Director's Desk



V.K.MALHOTRA

Managing Director

Dear Colleagues,

13th May, 2004

Food Corporation of India, created in 1965 has since emerged as the world's largest food security system ensuring remunerative prices for farmers, affordable quality of foodgrain for all and maintaining a buffer for price stability and exigencies. The gigantic task undertaken by FCI enabling the country to reach commanding heights in managing the food economy is due to the diligence of each and every officer, employee and worker of the Corporation.

2. From a turnover of about 5 million tonnes valued at Rs.290 crores in 1965-66, the turnover in 2003-04 has risen to about 93 million tonnes valuing around Rs.70,000 crores (US \$15.6 Billion approx.). Average rail transportation of the foodgrain has risen to about 12,000 rakes in a year from a level of about 1000 rakes in 1965-66.

3. The major functions of the Corporation as defined in the Food Corporations Act, 1964 are:-

- a) "...It shall be the primary duty of the Corporation to undertake the purchase, storage, movement, transport, distribution and sale of foodgrains and other foodstuffs.
- b) Promote by such means as it thinks fit the production of foodgrains and other foodstuffs.
- c) Discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the, functions conferred on it under this Act."

4. The passive and submissive way in which we have so far carried out our functions has given us the image of dormant and perhaps dispensable body. In my view, due to lack of independence in the autonomy of the Corporation by the Government, it has not been possible to see the shine of the Corporation as ought to have been dreamt by the forerunner and thinkers of the country in seventies. If we have to truly meet our objectives, get some respect from within and others, make our presence felt and get a measure of job satisfaction, then there should be greater clarity about our role and mission. It must be recognized that inevitably we have to play different roles at different times. At one level we are storekeeper(s), while at another, we are a courier service for foodgrains, whenever and wherever required by the State

Governments and at yet another level, our role is of advisors on foodgrains management policies to Central and State Governments.

5. In the prevailing bureaucratic system and the talk of proactive, flexibility or unorthodox functioning inevitably brings in the question of intervention by the CVC / CBI and other vigilance bodies. Taking this pretext, the Officers in the bureaucratic system in FCI show insensitivity and indifference to the cause and they simply wait for orders and comply them like clerks. Another way of looking at it is the past record. All of the total employees of FCI today that is approximately 56,200, only 1.38% and 1.39% are involved in vigilance cases under major and minor penalties respectively. Over four decades of its existence, less than half a dozen senior officers of the rank of EDs and above have been given any memorandum or charge sheet. Their argument about departmental or other action can only be construed as a cover up for avoidance of decision making.

6. It is therefore, imperative to redefine the role and responsibilities of executives of FCI at various levels so that the net contribution of any individual is measured only in terms of his specific, visible and quantifiable performance and not mere years of service. No doubt, total autonomy in the commercial operation of the Corporation will be a basic input.

7. This booklet is intended to make the executives at all levels to think about manner in which they can best use their background and skills in discharging their functions. The executives who have made up their mind that they need to be spoon fed with orders and instructions from the higher level and are used to follow the rule book to the hilt need not proceed beyond this page.

Yours Sincerely,


(V.K. MALHOTRA)

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CHAIRMAN

As per the Rules and Regulations of the Food Corporations Act 1964, the Chairman is the Chairman of the Board of Directors of the Corporation and the Executive Committee. The role and function of the Chairman has not been specified in the Act. However, Chairman, as Head of the Organisation foresees the future of the corporation and with his seniority and experience is expected to:

- i) Guide the Board of Directors in formulating and implementation of policies relating to procurement, storage, movement, transport, distribution, sale of foodgrain and laying down the objectives and targets thereof.
- ii) Interact with Central Government on formulation of policy issues relating to FCI functions and operations.
- iii) Establish and maintain close liaison with Central and State Government at level(s) for promoting and protecting the interests of the Corporation.

MANAGING DIRECTOR

As per the Rules and Regulations of the Food Corporations Act, 1964, the Managing Director shall " exercise such powers and perform such duties as the Board of Directors may entrust or delegate to him". The Managing Director is expected to implement the vision as laid down by the Board of Directors. It is further expected that this implementation would inter-alia be in consonance with the socio-political and economical environment in the country.

As Chief Executive of the Corporation and member of its Board of Directors and Executive Committee, he is expected to:

- i) Establish operational objectives, plans and policies relating to the role of FCI including procurement, distribution, movement, storage etc. and to ensure that the various operations of the Corporation are run efficiently and economically.
- ii) Develop and administer policies and programmes of the Corporation in accordance with the guidelines laid down by the Government of India, Board of Directors and Food Corporations Act and the Rules and Regulations thereof.

- iii) Ensure that the Executives of the Corporation, down the line are keyed up to the 'need of the hour', remain motivated; largely concentrate on policy and procedures i.e. focus on FCI and not files.

EXECUTIVE DIRECTOR

An Executive Director who may be in charge of one or more number of divisions under his control must focus primarily on FCI and not on files. With his years of experience and skill developed within the organisation, he remains the most crucial policy advisor. He is expected to assist the Managing Director in implementing the vision as laid down by the Board of Directors. Only he can, with his experience, take FCI forward, broaden the scope of its activities, monitor the field level functioning and ensure that FCI's image and efficiency at least vis-à-vis his sector remains at the peak. He is virtually the MD of his division(s) and is expected to not only work but appear as such. For the above purpose, he is expected to ensure that the reports / specific data (MPR/QPR) being received in his division(s) from other divisions or from field offices is complete and meaningful and is analyzed compared and contrasted with past data zone-wise by his office to reflect the quality of work in the field level. The input from his office as collected from field offices would have to be tempered at his level by his interaction with other divisions, trade and field inspections, keeping in view the overall economic , social and political environment of the country. The width and depth of his vision will distinguish him from his subordinates and colleagues.

- i) The Executive Director (Personnel) for example is expected to constantly monitor and analyse the strength and weaknesses of the Zones, requirement of staff and their proper deployment keeping in view the turnover and other activities of the Zone and how much can be outsourced.
- ii) The Executive Director (Commercial) is expected broadly to be aware of the trends of imports, exports worldwide and is expected to suggest commercially sustainable new schemes for the Corporation to supplement its activities.
- iii) The Executive Director (Vigilance) is expected to be vigilant and watchful and to take such steps which reduce the possibility of theft.
- iv) The Executive Director (Traffic) is broadly expected not only to think of reducing our hassles with the Railways but also think of other modes of transportation to reach foodgrains to the people.
- v) The Executive Director (Training) is expected to draw training plan in such a manner so that each officer gets exposed on regular basis to the latest and most relevant in the field for better discharge of functions.

- vi) The Executive Director (Engineering) is expected to advise on the modernization and mechanization inter alia of railway sidings, silos, weigh bridges and others. He should be constantly in touch with the agencies engaged in modernization and mechanization.
 - vii) Executive Director (Finance) is expected to advise the Corporation on cost cutting measures, new instruments and suggest steps to reduce hassles for staff and officers in the matter of pension payment, clearance of medical bills etc.
 - viii) Executive Director Incharge of Procurement should come out on how to make the decentralized procurement policy more successful and how the FCI can increase its procurement in non-procurement areas. He is also expected to interact with the Department of Agriculture and such other departments as are connected with his work.
2. The efficacy of an Executive Director would be evident in the confidence the trade, business, Ministry and various bodies have in his knowledge and decision taking capacity. It would be an ineffective Executive Director who would prefer to pass on the buck to the field officers or Managing Director/Chairman or recommend forwarding the matter to Government. Unorthodox and quick decisions would distinguish one ED from the other.
 3. The above brief description of expectation from the Executive Directors is only as an example to indicate that FCI is not expected to tread the beaten path and can only grow with advise of Executive Directors.

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SECRETARY

- The Coordinator

The Secretary of the Corporation would perform all acts and functions as are required under the Food Corporations Act, 1964 related to the meetings of the Board of Directors, Executive Committee (EC) and other Committees of the Board. He is expected to:-

- i) Keep subject wise records of the decision of the Board/EC to ensure consistency in decision making.
- ii) Carefully scrutinize the proposals coming to the Board of Directors to ensure that the Board has full background and facts before it takes a decision.
- iii) Keep subject wise record of the Ministry related Parliament Questions, debates etc, to ensure consistency in replies and trend of debates on FCI and related departments.

In so far as VIP/PMO references and Parliament Question are concerned, he will

- i) Ensure expeditious response
- ii) Analyse the nature of references to advise the management on possible corrective measures.

The underlying tone of the work of the Secretary is that he is not merely a robot, stapling papers together or ensuring that these reach Directors in time. The thrust is on application of mind.

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ZONAL MANAGER

SENIOR REGIONAL MANAGER

- Image Builder

A proper image and effective functioning of FCI vis-à-vis the States, Traders, Millers and exporters is absolutely and exclusively and fully dependent on the actions, directions and the motivation the ZM and SRM provide to their field officers. Inevitably, therefore, the ZM and SRM are expected to maintain close liaison with and assist the State Government (s) and the HQs at the highest level for promoting and safeguarding the interests of the farmer, consumer, trader and the Corporation.

- 2) If FCI has to bolster its functioning and image as a proactive organisation, the ZM & SRM are expected to take day to day decisions in its policies of procurement, movement, storage etc. etc. Flexibility would be the key operational word here; exercise of discretion will be strong point. To illustrate what they can do: This year i.e. 2004-05 by enhanced procurement of paddy and rice in Bihar, Orissa and West Bengal, the FCI would have to move at least 60-70 rakes less per month to these regions. Further, MP and UP are more or less self sufficient in wheat and rice. All the same, FCI has been lately sending nearly 150 rakes of foodgrains per month to each of these States for meeting their deficit. It has been agreed by the State Government and even the SRMs that if the State makes a little effort with the help of the FCI, they can easily enhance their procurement, thereby saving carrying cost, storage losses and unwarranted criticism. The only two officers who can really suggest policy and procedural changes in the foodgrains management are the Senior Regional Manager and the Zonal Manager. These examples show also how the FCI can strengthen its role as Food Adviser to the State Governments.
- 3) The ZM/SRM is expected to keep his knowledge updated about agricultural production and related matters within his jurisdiction and constantly analyse procurement, storage, preservation and movement aspects for the most cost effective functioning. The above would naturally and inevitably be based on his interaction with the State officials, trade, press, academic institutions and FCI's experienced field staff.
- 4) All the divisions of the Corporation in the Zone/Region would work under him. The ZM/SRM is expected to exhibit effective superintendence and control on the field staff through inspections and interactions with the public and trade. Their effectiveness, grip and respect would depend on their preparing and using the returns such as MPR / QPR etc. It is expected that these returns would be prepared directly under their supervision.

- 5) The effectiveness of the ZM/SRM would also be evident from the number of references / individual cases of decision making being received at the HQs from his area. He must ensure that as far as possible the work of the Corporation whether it relates to procurement, preservation of stocks or engineering etc. are to be outsourced. The grip that ZM/SRM would have on his work and what he can contribute will be dependent largely on the number of inspections and corrective measures taken thereafter.
- 6) The ZM/SRM is expected to analyse the strength and weaknesses, opportunities and threats of the Zone/Region, requirement of staff and their proper deployment keeping in view the turnover and other operations and the activities that can be outsourced.

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MANAGER
JOINT MANAGER
DEPUTY MANAGER

-The Back Up

Manager/Joint Manager/Deputy Manager posted either in the field office or at the HQs is an important cog in the wheel who enables his superiors to make their decision by the inputs that he provides. He is essentially an input provider and therefore must very meticulously apprise himself of facts, figures, precedents etc. related to his division. The above level officer at HQs/Zonal/Regional level is expected to update himself with the statistics and reports being received from field offices or otherwise and must know even the most micro level details of the work of his division.

2. Based on the above information, they are expected to analyse the strength and weaknesses of their work in the Zone, in the Regional Office or at the District Level. These officers are expected to point out whether the areas under their jurisdiction are lax in dealing with Vigilance cases, stock disposal, legal cases, out of court settlement, inventory control etc.
3. To reiterate their most important role, these officers are expected to not merely collect statistics, but with their seniority, experience and skill, analyse and put up to their seniors as to the state of affairs in the various zones, regions and districts.
4. These officers are expected to ensure proper maintenance of all records and documents related to their divisions. They are expected to ensure that data information received is properly entered in the computers in a planned manner so that future retrieval is possible and easy.
5. Principal, Institute of Foodgrains Management, who is in the rank of Manager is expected to direct, manage and control the activities of the Institute. He organises, administers and conducts programmes for the purpose of orientation and training regarding organisation's policy and routine, and instructions in Business method relating to general management, finance, accounts, quality control, engineering, shipping, movement, storage and contract work, etc. He is to ensure that each officer gets exposed on regular basis to the latest and most relevant in the field for better discharge of their functions.

- ii) He is expected to confer with management and field officers to determine the requirements and needs to chalk out the programmes accordingly. Updates manuals, organises lectures, management games, visual aids, reference library, case studies etc. for imparting training.
- iii) Coordinates programmes through meeting with faculties and the trainees, and reviews faculty's activities and evaluates effectiveness of the training programmes by feedback.
- iv) The Institute will act as an adviser through FCI to the Ministry of CAF & PD.
- v) It is expected that the Institute will advise, guide and regulate the activities of the Zonal Training Institutes.

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DISTRICT MANAGER

- Face of FCI

The District Manager is the face of FCI for the State Government authorities, the trader, the exporters and the labour. Keeping the aforesaid role and importance in mind, he is expected to identify all the actions and precautions that are necessary for being a good 'Store Keeper' and a good 'Courier'. Many instructions have been issued for proper maintenance of depots and account keeping, informing the non-officials and the District authorities about the stock position etc. of the depot ensuring that the revenue authorities visit depots in the normal course of their inspections in the area. The DM is expected to study these instructions and comply with them carefully. The officers at the district level and depot level are expected to ensure that their subordinate staff is also accessible, helpful and resourceful.

- 2 Considerable loss has been caused to the Corporation by the District Managers not being careful of FIFO principle and has only kept in view the disposal of the grain kept in FCI depots. The entire staff in the district and the depots must be fully conversant with the provisions of various manuals and periodicity of returns. More important is close follow up of all changes in data. He would not merely act as a collector of statistics but must analyse the figures/data (MPR / QPR) to check whether and why the operational cost is increasing, whether there is any excessive offtake of stocks in comparison to number of beneficiaries, trend of procurement volumes, the prospects of procurement in the next crop season, procedural bottlenecks resulting in legal or vigilance cases; efforts for out of court settlement, trend of losses etc.
- 3 He would coordinate the activities of the various sections i.e. QC, Engg., Movt., Labour, Finance, Accounts, IA & PV, inter depot/mandi etc. to achieve the desired results. He must know the micro level details of the work he handles to have an edge over the depot staff and command their respect.
- 4 His effectiveness would be further judged among other things with the delivery of the maximum stocks ex-rail head to the State Governments. This can be done by understanding and explaining the economics of such operations. This would initially require a high degree of coordination and interaction with the State authorities, providing them advance information so that they can arrange transport etc. and thus persuading them to make advance planning of location of the foodgrains in the state godowns.
- 5 He must exercise his delegated powers to manage the affairs of his district without referring matters to lower or higher levels and he would be absolutely responsible for the inactions or delayed actions and for the acts of his subordinates.

ASSISTANT MANAGER

- Critical Interface

He functions as a front line Manager in various cadres. He must, therefore, apprise himself of the job contents, manual provisions, procedures, policy of FCI / Government of India, periodicity of prescribed returns/reports to be received from field offices or to be submitted to higher authorities in relation to his assigned work in the offices or depots.

- ii) He would allocate work to his subordinates and act as their guide and mentor for proper coordination of the work and frequently check registers and records and should be aware of the micro level details of work he handles.
- iii) He must submit files to the superiors with meticulous scrutiny of data, rule position, precedents, facts and apply his mind for alternatives etc. in the overall interest of FCI to help his superiors in decision making.
- iv) He would maximize the use of computers in his daily work.
- v) He would not merely act as statistics collector but would monitor as well to ensure disposal of cases related to his area of work. To illustrate it, Assistant Manager (Legal) would monitor the legal cases and analyse the nature of cases and make efforts for withdrawal of cases for out of court settlements, filing applications for expediting the cases etc.

* While posted in a depot he would

- i) Function as a good Store Keeper and take all precautions and actions to maintain the stocks in coordination with QC/Engg/ Labour etc. and would also prioritise the issue of stocks for various schemes i.e. TPDS/OWS/SGRY etc.
- ii) Maximize the delivery of stocks ex. Rail head to State Governments to avoid double handling and to reduce losses.
- iii) Interact with Agricultural Universities/Institutions/Govt. authorities to seek guidance in related work. He must conduct frequent inspections and bring out discrepancies, pitfalls, high trend of losses, deterioration of stocks etc. in the knowledge of his superiors indicating remedial measures taken by him.
- iv) Be responsible for the performance of assignments he handles in office or in field.

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APPENDIX

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|-----------------------|--------------------------------|
| 1. MD's Letter | Dated June 17, 2003 |
| 2. MD's Letter | Dated July 25, 2003 |
| 3. MD's Letter | Dated August 12, 2003 |
| 4. MD's Letter | Dated September 3, 2003 |
| 5. MD's Letter | Dated January 5, 2004 |
| 6. MD's Letter | Dated April 6, 2004 |

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O. No. PS/MD/VKM/2003

June 17, 2003

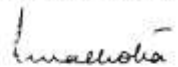
All ZMs / SRMs (by name)

We would be meeting shortly to discuss FCI operations, related issues and problems in your respective jurisdictions. The impression I have gained from observing the working of officers of the Corporation leads me to believe that there is a need for greater clarity about our roles and our mission especially in the field so that we are able to meet the objectives set for FCI by the Government. I think we are grossly underestimating our role. There is a view that the fundamental role of the Corporation is that of keeping ones eyes and ears open and being pro-active about how the State Governments are managing the food scenario, especially during natural calamities and what kind of planning was done by the State and the FCI that the latter has had to move 35 rakes a day ex-North in the last few months. It is also worth considering as to why and whether FCI should be responsible for reaching food grain in a particular district. The eyes and ears of the field officials have also to remain open to know whether the wheat procured or carried by the FCI is really reaching where it is required, and if there is anything FCI as an organisation could suggest to the State. Ultimately the end result of our action affects the common man who is waiting for food grains to reach him and we must ensure he gets a fair deal. So the first point that I would like to discuss with you would be to clarify our role and duties

2. Secondly, you have been sending reports to various divisions in Headquarters. We at the Headquarters have Identified nearly 200 proformas that are received from various Zones/ Regions. We are making an attempt to rationalise them. The point is not the number of proformas, but whether we can, through those statistics, suggest some improvements in the policies, systems and procedures that obtain in the Corporation. The number and nature of vigilance cases, the disposal of old cases, procedure of quality check, introduction of new methods of packing, loading and storage, pricing, delegation of powers are some of the areas where merely statistics should not be seen by the officers. We would therefore in the meeting be discussing policy issues and other important issues emerging from the above statistics.
3. In the above context, with this letter, I am sending you the proposal received from SRM, Haryana on a proposition being considered by the Headquarters that in the case of Wheat, we may stop the system of accounting of stocks in MTs and instead start the accounting

system with number of bags. Similarly, on quality check, a suggestion has been made that this work can be subcontracted to the Universities or other Government institutions, which are fully equipped to do the same. It has also been suggested that the number of quality checks carried out on our food grains can be reduced further. It was also suggested (seriously) in a meeting that the wheat allocations made to the States under various Schemes, if totalled up would be more than the food grains production! You may also have received or thought of various suggestions such as stated above in the course of your tenure as ZM/SRM. We would discuss the same in the next meeting. In the meantime, you may ascertain the reaction, formally or informally, from your State Agencies about the new accounting method of wheat (not by quantity, but by bags) and let us know their views during the course of the meeting. The example of cement or sugar or fertilizer, which are consumer items like food grains, FCI is dealing with, but are sold by number of bags. Yet another aspect that needs serious dwelling upon is the publicity aspect and we could exchange ideas on that.

Yours sincerely,


(V.K. MALHOTRA)

End: as above

Shri

All ZMs/ SRMs (by name)

Copy to:

Executive Directors (P/F/V/C/S/G/L/T/E),

- FCI, Hqrs., New Delhi .. The letter and spirit of the communication is as much relevant at the Headquarters. They should also at their level ensure that the proformas received in respect of their Divisions are analysed in Hqrs. The examination at Hqrs should be able to reflect the quality of work in the field level with reference to their divisions. They should be pointed out to them in specific terms during the review meetings.


MANAGING DIRECTOR

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O. No. PS/MD/VKM/2003

July 25, 2003

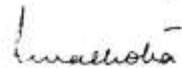
Dear Shri

This is in continuation of my communication dated 17.6.2003 addressed to all ZMs and SRMs about my perception and functions of FCI and its Officers. This letter must be read in conjunction with the earlier one. After sending the above letter, I have had an occasion to meet all the SRMs and ZMs at the Headquarters and visited a few Regional Offices. I have had interaction with a large number of District Managers.

2. On the basis of the above interactions, it seems to me that altogether the reason for financial losses, vigilance enquiries, legal cases and bad image of the FCI is 'only and absolutely' due to lack of application by the class one officers at all levels. During my visits, when asked about detail on a subject the tendency was to look to the juniors in the room for an answer. For example, the D.M.(Legal) in one place did not know the number of cases or their fate in different districts of the region. The D.M. (A/cs) did not know the amount of overall transaction being done by the Region or the salary bill or T A claim etc. The D.M./J.M.(Vig.) knew only the total number of cases, which could have been obtained even from the data entry operator/AG.III. I had emphasized in the last Senior Officers meeting that all officers must know even the most micro level details of the work he handles, for only then will the Regional Office have any control over the District Managers or the District Managers over the depot staff and others. It is because of this lack of information or rather lack of knowledge of details that in a large number of depots and district offices parallel administration exists.
3. It was most disturbing to note that the District Officer only talks of FCI stocks and not of Central Pool. This seems to be the problem at Headquarters also. We must possess information in detail about the stock that is being procured for Central Pool by each one of the agencies. This information should be there crop-wise as far as possible, so that the FIFO principle can be followed. In fact, if we had strictly followed the concept of Central Pool and FIFO principle, the FCI would not have come in for criticism for holding damaged stocks or grains unfit for human consumption. The class one officers never bothered to see which of the Central Pool stocks should be sent first or from where.
4. I had in the last meeting also emphasized the fact that the functioning of the FCI cannot improve unless the officers at the District, Regional and other levels use more of their

- time and experience to analyse the figures available at the District / Regional levels.
4. There is little sense in only updating oneself on the volume of procurement done or the number of vigilance or legal cases disposed etc. What I would like the ZMs/SRMs/DMs to do is to analyse the figures/data to check whether and why the OTA is increasing; whether there is any excessive offtake of stocks; whether the procurement volume is coming down comparatively; what the prospects of procurement are in the next crop year; if there are any procedural bottlenecks resulting in legal or vigilance cases; prospects/possibilities of out of court settlement of cases, whether the offtake matches with number of beneficiaries under various schemes; why stock statements of Central Pool cannot be obtained at the depot level.
 5. Whether the class one officers have a grip on their staff and work is evident from the number of their 'consumers', visit or ring up the Headquarters for redressal of small things. Passing of buck to the Headquarters at the behest of subordinate officers, without application will not help anymore.
 6. I hope the above points will be kept in mind by all concerned. I would expect the SRMs/ZMs to give me a well thought out profile/overview of their regions and not mere numbers when I visit next.

Yours sincerely,



(V.K. MALHOTRA)

All ZMs/ SRMs (by name)

Copy to:

1. Shri Arun Bhatnagar,
Secretary,
Min of CAF & PD,
Krishi Bhavan, New Delhi.
2. Chairman, FCI, Hqrs., New Delhi
3. All EDs, FCI, Hqrs., New Delhi
4. Manager (P&R), FCO, Hqrs., New Delhi



MANAGING DIRECTOR

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O. No. PS/MD/VKM/2003

August 12, 2003

Dear

Please refer to my earlier communications dated 17.6.2003 and 25.7.2003 relating to my perception of the role and duties of FCI Officers all of which ultimately relate to farmers and the end user of grain i.e. common man. It follows therefore that all our work is only for the people residing in administrative configuration of States, Districts, Taluks and Villages. It is therefore for the administrative heads of the State Governments to decide how when and where the FCI and other agencies for alleviation of other food related issues, should help them to discharge their responsibilities.

2. During the course of my interaction with the State Govt. officers and selected representatives both at the State Headquarters and other forums, it has been noticed that there is a definite communication gap between the field level officers of FCI, State Govt. officers and non-officials about the duty and nature of the activities of the FCI. This communication gap is more pronounced at the District Managers level. It is often misconstrued that every gram of grain that is being procured/handled in the country is only FCI's grain. Complaints about quality also emanate from this communication gap. The fact that the state officials are not clear about the difference between the FCI and the role of State Agencies handling the procurement and storage of food grains is evidence of this communication gap. It is therefore important that FCI field officers from SRM down should continuously interact with all levels of the State Govt. as well as the press and non-officials.
3. In the above context, it seems advisable that everybody especially FCI District Managers should keep the District Collectors, Block Development Officers as well as the local MLAs, MPs informed from time to time about stock position, allocation, offtake of stocks and other problems in their area so that they are aware of FCI activities and ground position. What needs to be specially pointed out / stressed at the district level is that FCI makes available the allocation to the State Govt./Corporations and our role ends there as a courier of grain to the State. Beyond this point is the responsibility of the State agencies. It should also be stressed that the quality check of the grain, before being handed over has been done at the FCI's premises by the State Govt. representatives. The names and designation of the officers who had conducted the quality test on behalf of the State

- Governments/nominees should be intimated as far as possible so that FCI is not blamed for poor quality stocks.
4. Some complaints have been received from Fair Price Associations mentioning that at some places the stocks of food grains lifted from FCI godowns do not reach the Public Distribution System and are substituted with inferior quality product. This tarnishes the public image of FCI and it is essential that the District Managers keep a watch on what is really happening at the ground level and inform the local authorities as far as possible.
 5. As you may be aware the District Revenue and Development Officers carry out visits and inspections as a part of their duties. It would be useful to request them in writing that they should visit the FCI godowns/offices also from time to time whenever they are in that area so that they also have first hand knowledge of our operations.
 6. I am sure the above steps would lead to greater transparency, accountability and an improved and correct image of the Corporation.

Yours sincerely,


(V.K. MALHOTRA)

All ZMs/ SRMs (by name)

Copy to:

1. All EDs, FCI, Hqrs., New Delhi


MANAGING DIRECTOR

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O No. PS/ MD/VKM / 2003

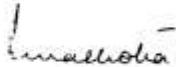
September 3, 2003

Dear

In the last week of this month, Chairman proposes to review the following points with the Zonal Managers :-

1. The present position of manpower in your Zone and requirements if any. As you are aware that this point was discussed in the last SRM's meeting wherein I had suggested that the Zonal Managers should explore the possibility of adjusting the manpower not only within their Zone but also consider the possibility of outsourcing the work as far as possible. During my visit to Bangalore on 1st September, 2003, I was informed that nearly 2000 people in the region were handling only 75 only rakes per month at the peak and virtually no procurement.
2. Weekly destination-wise rake movement plan and possible road/rail movement within the Zone for October, 2003. This should largely take care of complaints of skewed availability of foodgrains. It would also make available foodgrains where required most.
3. Zonal profiles - crop prospects, areas affected adversely, issues with State Government.

Yours sincerely,


(V.K. MALHOTRA)

All ZMs/ SRMs (by name)

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O. No. PS/MD/VKM/2004

January 5, 2004

Dear

Please refer to your D.O. No. PA/SRM/Bihar/IR-SR/2003 dated 23rd December, 2003 furnishing the salient features on monthly performance of Bihar Region for the month of November, 2003

2. I can notice that a lot of hard work has gone into preparing the report. The figures mentioned however are only in terms of rakes and metric tonne and from them I am not sure if the population of your region has had adequate availability of foodgrains or not. In the three pages of your report, there is no mention of the foodgrains availability to the BPL population which we are required to feed. As I have repeatedly emphasized in many a communication, our main purpose of existence is foodgrains for the people not foodgrains for the godowns. Therefore, all discussions with the Headquarters and the State Government should be in terms of people and then the consequential requirements or availability of rakes, allocations etc. Apart from the above there is no need in future to mention figures of offtake, disposal of damaged foodgrains, wagon release, railway claims, legal etc. which are in any case being sent in the regular formats.
3. What would be more useful is the assessment of availability of foodgrains for the people, whether the State Government is making a weekly movement plan itself so that we are not blamed for skewed distribution, the response of Universities and whether MPs and MLAs are being kept informed of our activities and other FCI image improvement measures. The monthly letters should be along the above lines.

Yours sincerely,


(V.K. MALHOTRA)

All ZMs/ SRMs (by name)

V.K. MALHOTRA
Managing Director



FOOD CORPORATION OF INDIA

D.O. No. PS/MD/VKM/2004

April 6, 2004

Dear ZM/SRM,

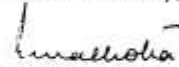
Subject : Dealing with the State Government - role of FCI

We have been repeatedly emphasized to the State Governments and the field staff of the FCI about the importance of linking of offtake under TPDS, SGRY and other welfare schemes at the ground level. The fact that FCI came to grips successfully with the wrought situation last year was largely on account of augmentation of stocks as per allocation in consultation with the State Government and drawing attention to the extent and area of misuse of grains in States. The FCI's contention has been and continues to be that if we fulfill the needs of the TPDS segment of their fullest requirement, the offtake under SGRY should be much less than what is being demanded by the State Governments.

2. In the above context, various letters have gone from HQs to the State Governments and the field officers to visualise utilisation of foodgrain under SGRY works undertaken. Unfortunately, the spirit of these of these letters has not been appreciated and the whole matter of SGRY - BPL linkages angered many States. Let me clarify the position.
 - i) In the normal course of functioning there is to be no direct involvement of the FCI in checking either the PDS shop or the works relating to SGRY.
 - ii) However, the FCI staff especially at the district level must as a good 'Store Manager' know as to what is happening to the foodgrains made available to the State authorities. Like a good 'Store Manager' one is expected to keep one's eyes and ears open as to in which specific areas the grains is being utilized, who are misusing etc.. A tour report of the Joint Secretary, Ministry of Food who visited Chennai on 3rd March, 2004 mentions that the rice being distributed for BPL card holders was of a different quality than that was supplied by FCI. It was also stocked in gunny bags not owned by the FCI. Quite obviously our field staff did not keep their eyes and ears open and it required a visit by a Jt. Secy. level Officer of G.O.I. to discover.
 - iii) In so far as the SGRY is concerned, the matter to check up at the field level is whether at a particular work site, does the labour working there belong to same or the nearby areas and what percentage of them are ration card holders ? It should also be checked up informally as to how much foodgrains is being issued to them. All these information has to be obtained informally. The above information has to be transmitted to SRM who will in turn compile the aforesaid information and apprise the State Govt. informally and MD formally through the ZMs' monthly report.
 - iv) It must be clear in the mind of the FCI personnel that they are not passing on the information or keeping the information to criticise the activities of the State Govt. but only

- to help them and help FCI. The information has to be available because FCI makes a lot of effort, spends lot of energy to move the grains from one end of the country to the other. The movement of stocks by FCI is for the welfare of the people and not welfare of the mafia, or even the trader. FCI is keeping a watch because there is shortage of rakes and therefore the foodgrains must be used for the needs of the target population i.e. to fill up the needs of the people. This is the argument that is to be given by each and every officer of the FCI. It must be brought to the notice of the state authorities that any excess movement that is more than the requirement of people is a strain on the logistics and therefore our interest in knowing what is happening to the foodgrains.
- v) Even when the state's emergent requirement has been met, the State Govt. often comes up with the argument that we do not have enough food grains in the godowns of FCI in their state. This argument must be rebutted strongly on the ground that so long as we are making available 35 KGs of foodgrains per card of BPL/AAY per month to the people of the State, they should not worry about the availability of stocks in the godowns, though that will also depend on their financial arrangements made. It is our primary duty to feed the people of the State and not to feed the godowns. Nearly one month's availability of foodgrains should therefore be enough and there is no harm even if the buffer is little less than one month's requirement so long as the monthly requirement is met.
 - vi) As you are aware in the matter of movement of foodgrains we are trying to strengthen the system by planning movement on weekly basis. This is keeping in mind that the FCI's role at one level is that we are merely a courier service and it is primarily the State Govt's responsibility to decide where and how much food grains it wants per month keeping in view both annual allocation period of lifting. It is quite likely that the State Government may change its mind in between and in that case weekly rake movement programme provided to ED (Traffic), FCI, Hqrs should be repeated with amendments. It is not enough to say that the destinations should be changed.
 - vii) In the matter of dealing with the State Governments, I have earlier in my communications emphasized for interacting more frequently with the district officials, non-officials and the press. As far as possible, they should be shown our godowns and apprised of our stock position in writing from time to time in areas where there is scarcity or are sensitive. I had also mentioned that the upkeep of godowns is the index of effectiveness of the FCI for a common man.
 - viii) The direction contained above may be read in conjunction with my earlier communication as per Annexure.

Yours sincerely,



(V.K. MALHOTRA)

All ZMs/ SRMs (by name)