

THE FOOD CORPORATION OF INDIA
HEADQUARTERS : NEW DELHI

No. 8(3)/94-95/CM/SZ

Dated : 27/1/1995

CIRCULAR NO. 672/Accts

The supply of foodgrains/sugar is made by the Corporation on receipt of pre-payment. According to the existing instructions the State Government/nominee/private parties are to make pre-payment in the shape of demand draft/DCR/Pay Order/Bankers Cheque payable at the station where the FCI District Headquarters is situated. Accordingly FCI Unit offices are issuing release order on receipt of payment through either of the above mentioned bank instruments.

It is observed that payment received through demand draft is more beneficial to the Corporation in the cases where the demand drafts are drawn on the SBI with whom we have our banking facility and payable at the SBI branch where we are maintaining our account. This is in view of the fact that in such a situation there is no time lag for obtaining credit of the instruments namely, DDs deposited. It is, therefore, requested that efforts should be made to pursue the parties so as to obtain a demand draft where the drawee branch of the bank is the same branch where we are maintaining our account. In case, where the payment is made either in the form of demand draft drawn on other than SBI or DCR/Pay Order, effort should be made to study the behavioural pattern of receipt of such instrument viz., the branches of the bank which are used by maximum number of parties. Branches of the bank used by moderately good number of parties and the branches not so frequently used by the parties. Having studied the pattern, a local decision may have to be taken to open/not to open a new bank account in the financial interest of the Corporation to save interest due to time lag for normal clearing of the bank instrument. The SRM/ZM should give due weightage on this aspect since an instance has come to our notice, where the State Govt. was obtaining Bankers Cheque from a particular branch of the SBI against the stock lifted by them. It was observed that the unit office concerned in this case, failed to watch the pattern of receipt Bankers Cheque and continued to deposit these Bankers Cheque into the branch of the bank in which FCI was maintaining its account. As a result the credit against all these bankers cheque could be obtained after expiry of the time lag through bank clearance. In the instant case, had the unit office been alert enough and opened a non-operational bank account with notional CC limit of a smaller value, the Corporation could have obtained credit with out lapse of time and saved interest.

All concerned are, therefore, requested to be more careful in the matter. ZM/SRM may also like to exercise their option for DD purchase facility in case opening of new non-operational bank account with a notional CC limit is not found to be more economical than the DD purchase facility. The limit for DD

purchase facility has already been decentralised zonewise and authority for allocating DD purchase limit and/or opening of bank account on behalf of the Corporation has already been delegated to the various authorities in the zonal office as per the authority vested by Board of Directors vide their resolution No. Nil dated 8.6.84 (copy enclosed).

This being important, kindly bring it to the notice of all concerned.

Sd/-
(T.K. SETH)
ADDL. FINANCIAL ADVISER (FUNDS)

**COPY OF THE BOARD OF DIRECTORS RESOLUTION PASSED IN 156TH
MEETING HELD ON 8TH JUNE, 1984 AT NEW DELHI.**

RESOLVED THAT, in supercession of all the previous resolutions on the above subject, the Managing Director / Financial Adviser / Zonal Manager / Additional Financial Advise / Manager (Accounts) at the Head office and Manager(Fin. & A/cs) of the Zonal Offices, who is incharge of the Cash management, of the corporation, are authorised to open the bank accounts in the name of the Corporation in any of the following categories of Banks:

- i) State Bank of India,**
- ii) Any of the subsidiaries of the State Bank of India;**
- iii) Nationalised Banks;**
- iv) State Co-operative Banks;**
- v) Scheduled commercial Banks;**
- vi) Such of the Central Co-operative Banks which at the time of the opening of the accounts have been classified for a continuous period of not less than three years in Category 'A' and 'B' according to the Audit classification of the Registerar of Co-operative Societies or any other Competent Authority appointed for the purpose by the State Government, provided these banks are included in the list of Scheduled Banks circulated by Reserve Bank of India.**

2. RESOLVED FURTHER THAT, in supercession of all the previous resolutions on the above subject, the bank account of the Corporation may be operated by any of the following officers of the Corporation. They are also authorised to execute promissory notes on behalf of the Corporation.

- i) **Zonal Manager, Additional Financial Adviser, Deputy Zonal Manager, Manager(Accounts), Sr. Regional Manager,Regional Manager,Joint Manager(Port Operation) and Joint Manager(Accounts);**
- ii) **Senior Deputy Manager(Accounts), Deputy Manager(Accounts), District Manager,Senior Assistant Manager(Accounts) and Assistant Manager(Accounts)Provided they are in turn authorized to operate the bank accounts by the Zonal Manager, Additional Fianncial Adviser, Deputy Zonal Manager, Manager (Accounts), Senior Regional Manager, Regional Manager, Joint Manager(Port Operation) as the case may be.**

3. RESOLVED FURTHER THAT, in supercession of all the previous resolutions on the above subject, the Chairman/Managing Director/Financial Adviser/Zonal Manager may where the exigencies demand, also authorize any officer or official other than those specified in para 2 to operate the bank accounts provided the bank accounts are invariably operated jointly by two officials/officers.

4. RESOLVED FURTHER THAT, in supercession of all the previous resolutions on the subject, vigilance clearance is invariably obtained and other safeguards are prescribed in all the cases where the authorization is given to the officers/officials for operating the bank accounts of the Corporation.

**Sd/-
MANAGER(ACCOUNTS)**