

**Most Immediate**

F.No.7/4/2009-FT(ST)  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce

Udyog Bhawan, New Delhi  
Dated the 18<sup>th</sup> February 2010

**OFFICE MEMORANDUM**

**Subject: Guidelines for export of non-basmati Rice by the Indian PSUs on diplomatic consideration**

The undersigned is directed to forward herewith a copy of the Guidelines for export of non-basmati rice by Indian PSUs. These Guidelines issue with the approval of Competent Authority and come into force with immediate effect.

(T. Srinidhi)  
Director  
Tel: 23063265

560/D2(SRAADOP)  
23/2/2010

104/Smpex  
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Encl: a/a.

To:

1. Shri T. Nanda Kumar, Secretary, Department of Agriculture, Krishi Bhavan, New Delhi.
2. Smt. Alka Sirohi, Secretary, Department of Food and Public Distribution, Krishi Bhavan, New Delhi.
3. Shri Rajiv Aggarwal, Secretary, Department of Consumer Affairs, Krishi Bhavan, New Delhi.
4. Shri R.S. Gujral, DGFT, Udyog Bhawan, New Delhi
5. Shri R.B. Sinha, Director General, Office of C&AG, 9, Deen Dayal Upadhyay Marg, New Delhi – 110 001.
6. Shri K. Ramasubban, Secretary, Central Vigilance Commission, Starkata Bhawan, INA, New Delhi (Fax No: 24616286)
7. Dr. Ausaf Sayeed, Joint Secretary (WA), Ministry of External Affairs, South Block, New Delhi (Fax No.23019415)
8. Shri Dinesh Arora, Under Secretary, Cabinet Secretariat, New Delhi.
9. Shri Dinesh Sharma, Joint Secretary, Department of Commerce, New Delhi.
10. Shri Sanjeev Batra, CMD, MMTTC, New Delhi
11. Shri N.K. Mathur, CMD, STC, New Delhi
12. Shri A.K. Mirchandani, CMD, PEC, New Delhi

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Copy to: Shri T.K. A. Nair, Principal Secretary to the Prime Minister, PMO, New Delhi.

Copy also to: PPS to CS/PPS to AS(FKC)

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SO/CI

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Smt. AJ / Smt. BS - copy to me -  
23/2/10

## **Guidelines for export of non-basmati Rice by the Indian PSUs**

Non-basmati Rice can be exported under the following situations and the guidelines for each of these situations are given as under:

**A. Export of Non-basmati Rice when there are no quantitative / price restrictions on exports:**

In this situation, PSUs can transact exports purely on commercial basis following all the guidelines prescribed for transparency and competitiveness.

**B. Export of Non-basmati Rice on humanitarian / diplomatic considerations on Government Account:**

In this situation, PSUs will be strictly governed by the conditions prescribed by Ministry of External Affairs and the exports will be on Government account to the country designated by MEA. The procurement of rice will be done on a open market basis or stocks taken from Central Pool of FCI depending on the availability and orders can be placed after Ministry of External Affairs confirms the procurement price. PSUs will abide by all the other conditions prescribed by MEA.

**C. Export of Non-basmati Rice when there are price /quantity restrictions on exports and the exports are on diplomatic considerations and on commercial basis:**

COS in its meeting held on 24<sup>th</sup> August 2009, laid down the parameters for export of non-basmati rice authorized by Government for being undertaken on diplomatic consideration in relaxation of the ban on export of non-basmati rice. One of the COS decisions was that Department of Commerce will formulate the procedures in consultation with the Departments concerned. Accordingly, the following guidelines have been formulated incorporating the parameters prescribed by COS.

1. Department of Food & Public Distribution will advise Department of Commerce/DGFT on the quantity of the rice to be exported to the designated countries so that the same can be incorporated in the subject notification of DGFT. Any other condition specified by EGoM/COS would also be incorporated in the notification. DGFT will nominate one or more PSUs out of three i.e. STC, MMTC/PEC for exporting rice unless specifically directed by EGoM/COS.
2. On the basis of notification issued by DGFT, MEA will advise the recipient country the name of the PSU authorized to export to that country. The recipient country will be advised by MEA to enter into contracts for the exports only with the designated PSU(s) in terms of the GATT provisions. It shall be made clear

to the importing country that no designation of a private contractor to supply the rice will be entertained. MEA will inform the concerned PSU(s) about the designated buying agency in the importing country.

3. Exports will be undertaken directly and only by the designated PSUs. There will not be any associate exporter.
4. The PSUs will float tenders calling for Expression of Interest on all India basis, individually, based on jointly formulated pre-qualification criteria for empanelling the suppliers. The tenders would be framed with emphasis on transparency and competitiveness. The panel of suppliers arrived at by one PSU can be adopted/operated by other PSUs. The panel should be large enough to generate competition. CVC guidelines for empanelment of suppliers as circulated by the Commission vide Office No.43/7/04 dated 2.7.04 to be followed.
5. PSU(s) would call for quotations from the pre-qualified Supplier for a price on FOB basis. The orders shall be placed on L1 supplier keeping in consideration the CVC guidelines etc. In case, the L1 supplier is not be able to supply the entire quantity tendered for at the L1 price, the balance quantity can be offered to L2 supplier at L1 price. In case L2 supplier is unwilling to supply at L1 price, the prices can be negotiated with L2 supplier. In case both L1 and L2 suppliers are unable to supply the entire quantity, the PSU(s) would invite fresh tender for uncovered quantity. In case it is decided to source the material from FCI, then FCI will decide on supply depending upon the stock available in the Central Pool, if it is decided by the Government to allow exports out of the stocks available in the Central Pool, it will be at the economic cost and payment will be made to FCI.
6. The PSU(s) will buy rice from the markets all over the country. The supplier(s) will provide the necessary certificate to the PSU(s) confirming that rice has been procured to this effect. The supplier(s) will also provide a certificate to the effect that the rice is bought from those rice mills who have already met their levy rice requirements as stipulated in their respective States.
7. PSUs will procure rice at a price as close as possible to the derived MSP, so as to not to disturb the existing price situation in the domestic market.
8. PSUs will supply rice to the designated country at a commercially negotiated price.
9. The end point verification of the exports reaching the destination will be filed by the PSU(s) and for this purpose, the PSU(s) will obtain landing certificates from the port(s) of discharge.