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ਪੰਜਾਬ ਰਾਜ ਸਹਿਕਾਰੀ ਖੰਡ ਮਿਲਜ਼ ਫੈਡਰੇਸ਼ਨ ਲਿਮਟਿਡ The Punjab State Federation of Cooperative Sugar Mills Ltd.,

S.C.O. 125-127, Sector 17-B, Chandigarh-160 017
Phone : 0172-5051467-79, 5051390-91, Fax : 0172-2702752
Plot No. 53, Phase-II, Opp. Bassi Cinema, Mohali - 160 055
Phone : 0172-5013594, 5013596-98, Grams : FEDSUGAR
Email : sugarfedpunjab@gmail.com
www.punjabnsugarfed.in



ਐਸ.ਸੀ.ਓ. 125-127, ਸੈਕਟਰ 17-ਬੀ, ਚੰਡੀਗੜ੍ਹ - 160 017
ਫੋਨ : 0172-5051467-79, 5051390-91, ਫੈਕਸ : 0172-2702752
ਪਲਾਟ ਨੰ. 53, ਫੇਜ਼-II, ਸਾਹਮਣੇ ਬੱਸੀ ਸਿਨੇਮਾ, ਮੋਹਾਲੀ-160 055
ਫੋਨ : 0172-5013594, 5013596-98, ਗਰਾਮ: FEDSUGAR
ਈ-ਮੇਲ : sugarfedpunjab@gmail.com
www.punjabnsugarfed.in

No. PSF/Sugar/2014/ 1735

Dated 7/8/2014

The General Managers,
Working Coop. Sugar Mills Ltd.
In the State of Punjab.

Subject :- Draft Sugar Sale Policy.

In compliance of decision taken in the Review meeting held under the chairmanship of Hon'ble C.M. Punjab, a Sugar Sale Policy was drafted. After incorporating the observations of Higher Authorities and Comments received from the sugar mills, the final draft of Sugar Sale Policy is annexed herewith. The same may be implemented with the approval of BOD of the mill.

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General Manager(H.Q.)
For Managing Director

CC: PS to FCC for information of FCC, Punjab.
PA to RCS for information of RCS, Punjab.
PS to M.D., for information of M.D. Sugarfed Pb..

OS Please get it approved for BOD and also get nominated the members of BOD of the mills



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7/8/2014

Draft Sugar Sale Policy

1. Sugar sale will be conducted at mills level through tenders.
2. All traders will be eligible to participate in tenders provided they become nominal members of the concerned sugar mills in accordance with clause No.7 (vii) and 8(c) of Bye-laws of Sugar Mills and also submit a blank cheque of a scheduled bank (Account must be operational on date of tender) as security.
3. Sugar sale committee will consist the following members:-
 - a) General Manager.
 - b) Elected Director nominated by BOD of Mills by rotation for one year.
 - c) Chief Accounts Officer.
 - d) Chief chemist.
 - e) Sugar Sale Incharge.

Presence of at least three members of the committee will be essential for conducting sale of sugar. However presence of elected Director and General Manager will be must and General Manager will ensure compliance of Sugar Sale Policy in letter and spirit.

Sugar Mills where elected BOD is not in place, a nominee of Managing Director, Sugarfed Punjab not below the rank of General Manager will be member of Sugar Sale Committee.

4. Sugar Sale Committee will carry out following functions:-
 - a) Conduct the sale of sugar through tenders. The committee will be responsible to adopt e-tendering at the earliest.

- b) Decide the quantity of sugar to be sold in tender, keeping in view financial requirements of the mills, market trends, future forecast, carrying cost of sugar and interest on working capital etc.
 - c) Decide the frequency of tendering, keeping in view the sugar stocks and demand of sugar.
 - d) Moist sugar will be identified, segregated and separately stacked. Sugar Sale Committee will inspect and record the reasons as well as percentage of moist sugar and sell the same at the earliest.
5. Minimum quantity of tender will be 200 qtls.
 6. An earnest money deposit of Rs.100/- per qtl. of quoted quantity will be required. Proof of deposit of EMD will be attached with "bid" to make it eligible for consideration. Earnest money will be adjusted in last consignment of sugar quantity.
 7. No commission to tenderers on sale of sugar will be paid by mills. However tenderers will be allowed billing in name of actual lifters/retail buyers from the sugar mill.
 8. The maximum period for lifting of sugar allowed to sugar traders will be 10 working days.
 9. Penalty @ Rs.2.00 per qtl. per day for the maximum period of 3 working days, beyond maximum permissible period of 10 working days, will be charged. If the sugar is not lifted within penalty period of maximum 3 working days or entire price of sugar is not deposited by purchaser, the sugar sale will automatically stand cancelled. Penalty equal to difference

between sale rate and next tender rate immediately after the date of cancellation will be charged and Earnest money deposit will be forfeited. However, defaulting traders will be eligible for participation in future tenders on deposit of loss. No lifting of sugar, after cancellation of sugar sale in any case, will be allowed, except through fresh tender.

10. If a sugar trader deposits the entire price of sugar purchased by him before due date, only storage charges after due date of lifting @ Rs.2.00 per qtl. per day for first fifteen days and Rs.4.00 per qtls., thereafter will be charged till the actual date of lifting. Sugar Mill will not be responsible for loss in quality of sugar during this period due to any reason.
11. Full amount of sugar purchase will be deposited by purchaser before lifting of Sugar and no credit sale, in any case, will be allowed. Lifting will be allowed on all working days. Mill will arrange loading of sugar in trucks arranged by purchaser at his cost. Transportation and all other charges for transporting the sugar to its destination will be borne by the purchaser.
12. Sale committee may offer highest bidder to increase the bid quantity on deposit of additional EMD on the same day. After the *highest bidder refuses to purchase the additional sugar quantity offered*, the next bidders can be offered to purchase additional quantity at the highest bid rate on that day.
13. All Government Agencies, Cooperative Bodies, Religious Bodies and Mill Depot will be allowed to purchase sugar on last tender

rate or prevailing market rate on date of purchase, whichever is higher.

14. The committee reserves the right to accept or reject one or all Tenders without assigning any reason.
15. If any dispute arises between tenderer and the mill, such a dispute is to be referred for arbitration under Punjab State Coop. Societies Act 1961.