

## **Guidelines on functioning of Maitree Fair Price Shops.**

1. Maitree Shops are required to run as profit centres. As such, the income generated from Maitree Shops should be sufficient to meet all the expenses of functioning of such shops. In this context the income generated by Maitree shops mainly include the following.
  - i. Margin earned in sale of normal BPL rice, AAY rice, APL wheat, BPL Sugar & Kerosene i.e excess of sale price over the purchase price.
  - ii. Sale of empty gunnies.
  - iii. SC, IC, RM & TC as are payable to Agents and Retailers.

In addition, the expenses include salaries and wages, rent, transportation, insurance, depreciation etc. Accordingly, it is required that adequate number of ration cards / beneficiaries is tagged to each shop so that shop is economically viable.
2. Maitree Shops are required to lift stocks from FCI / RRC and not from Storage Agents so that the Storage Charges (S.C), Incidental Charges (I.C), Transport Charges (T.C) & Retailers Margin (R.M) etc. which are other wise paid to Agents would be the income for such shops. This is to be strictly followed and under no circumstances the Maitree Shops shall be allowed to lift stock from Agents instead of FCI depots / RRC.
3. Delivery Orders (D.Os) are required to be issued to Maitree Shops on pre-deposit of full cost only as in case of Storage Agents. Under no circumstances, the Maitree Shops are allowed to receive D.Os without pre-deposit of full costs, each Maitree Shop has been provided with adequate working capital for its functioning at the inception. Any deviation to this will attract personal liability of concerned District Managers and / or Accounts head of District.
4. Insurance of shop including the stock of goods, are required to be done by the district office for each shop functioning under their administrative control.
5. As far as practicable, only S.A-cum-G.As in regular cadre are allowed to handle the stock and cash of those shops. Where there is no other alternative, Daily wage Employees may be allowed to work as such. In all cases of employees, fidelity insurance of such employees is required to be made considering the volume of stocks and cash handled.
6. The cash collected in shops are required to be deposited every day or maximum on the next working day. The District Manager and Accounts head are required to closely monitor and ensure the same. Any delay shall be treated as temporary

embezzlement, and the concerned District Manager will be responsible for the same along with the persons handling cash.

7. As per Government instructions, stocks for 2 months are required to be stored for distribution in PDS in a particular time period. The District Managers and M.Is are required to ensure that the Maitree Shops lift the required quantities in due time and Delivery Orders are issued to those shops expeditiously on prepayment of full cost.
8. Wherever available the accountants of the Corporation deputed as MI by Government shall be kept in charge of Maitree Shops and they shall be asked to submit fortnightly report on movement of stocks, timely deposit of sale proceeds and maintenance of accounts etc.
9. Instructions from Government for display of citizens charter, display of stock card, rates of PDS & Non-PD items, timing of shops etc. are required to be followed meticulously at the shops. The District Managers are required to ensure the same. The Maitree Shops are also required to be covered under Social Audit Programme announced by Government.
10. The District Managers may analyze the profitability, effective running, maintenance of accounts of each shop under their administrative control and send quarterly reports to Head Office in respect of each shop.
11. Maitree Shop may be encouraged to sell Non-PDS items considering the local need which may be reviewed at periodic intervals by the District Mangers to assess the viability of such operations for its further continuance.
12. The District Mangers are required to ensure that sale proceeds of empty gunny bags are duly deposited in MFP Bank Accounts at the rates approved by Head Office and account of empty gunnies are maintained in each shop.
13. The funds position of each shop may be analyzed in every quarter and surplus generated in such account are required to be remitted to Head Office keeping the minimum working capital required to transact the business of the shops.
14. Before releasing the monthly salaries and wages of persons working in Maitree Shops, the District Mangers shall ensure that all the sale proceeds of Maitree Shops for the said month have been deposited in MFPS Bank Account, which should be operated by joint signatures and one of such signatories shall be the District Manager. The District Manager shall ensure that a certificate to the effect that all sale proceeds of the MFPS

of a month has been deposited in MFPS Bank Account is furnished by concerned Accounts head of the District for release of salaries and wages of MFPS employees and such certificate is attached to the salary bill.

15. The District Manager shall ensure that Cash Trial, Profit and Loss Account, Stock Statements, Bank Reconciliation and confirmation statements of each MFP Shops for every month are submitted to Head Office within 15<sup>th</sup> of the succeeding month.
16. The District Managers are required to ensure that physical verification of stocks stored in Maitree Shops are conducted quarterly either by him or by a team of officials authorized by him and report of such verification is sent to Head Office at the end of each quarter. At the year end, the physical verification of stocks including empty gunnies, furniture and other movables are required to be done jointly by the District Manager and Accounts head of the district office and the District Manager shall ensure that report of such annual verification is sent to Head Office not later than 30 the April of the succeeding.
17. The District Managers shall ensure that all dues of MFP Shops regarding T.C, I.C, S.C etc. are cleared on a monthly basis expeditiously only at the rates approved by Corporation / Government and no excess rates are allowed without prior approval of Head Office. The District Managers shall further ensure that all the advances outstanding against persons working in Maitrees are adjusted as per rules and subsequent advances are issued only on adjustment of previous advance.
18. The MFP Shops continuously running in losses for 3 months or more should be reported to Head office for closure of the same within a certificate that you have exhausted all efforts for bringing the same to its viability and there is no alternative except to close the shop.

The above instructions supersede all previous instructions issued in the matter and shall be followed meticulously with immediate effect.

Yours faithfully

**Managing Director**