

Ref: GEMA/2025-26/534

Date: 27th June 2025

To,
Managing Director, NCCF, New Delhi
Managing Director, NAFED, New Delhi

Respected Sir/Madam,

Subject: Urgent Concerns Regarding Procurement Process and SOP Adherence.

In light of ongoing procurement by NAFED/NCCF in 4 states (Assam, Bihar, Uttar Pradesh and West Bengal). GEMA would like to bring to your attention the key issues reported by distilleries regarding the ongoing procurement process are as follows:

1. **Lack of Clarity on Depot Allocation:** Distilleries have not been informed about the specific depots from which they are required to lift the material. Additionally, there is no clarity regarding the nearest depots within a 100 km radius.
2. **Quality Issues and Financial Losses:** One of the distilleries reported that they lifted 3 truckloads of material, which were subsequently returned due to poor quality. This resulted in significant financial losses. The distillery further informed that NCCF acknowledged the poor quality and advised improvements.
3. **Non-Availability of Quality Reports:** As per the SOP, a quality report aligned with FAQ standards should be provided. However, no such report has been shared with the distilleries to date.
4. **SOP Implementation Issues:** The current SOP mandates that after the initial 10% payment, the agency should procure the material, and the distillery reserves the right to inspect the material before making the balance 90% payment—*only if the material quality meets the FAQ standards.*
 - a) However, agencies are demanding the full 90% payment *before* the inspection and approval process, which is a clear violation of the SOP.
 - b) A member distillery cited a case where 3 truckloads were returned due to substandard quality, despite no fault on their part.
5. **Non-Compliance with SOP Regarding Quality Verification:** Agencies are releasing material without procuring and submitting the quality reports to distilleries, which is not in line with the approved SOP.

We request that agencies **strictly adhere to the SOP**, particularly in terms of quality verification and payment procedures, to prevent operational and financial setbacks for distilleries.

6. **Delay in Procurement Portal:** The delay in operational procurement portal, with the integration of depot-wise stock availability for the proposed districts is significantly impacting the distilleries' ability to make timely procurement decisions and leading to uncertainty and disruption in their supply planning.

We request your kind attention and look forward to a prompt and positive response.

with regards



Dr. C. K. Jain, President

Copy to: 1) **OMC Coordination Committee (BPCL, HPCL & IOCL)**

i) Shri Anurag Saraogi, Chief General Manager- BPCL, Mumbai

ii) Shri B. C. Joshi, Chief General Manager- IOCL, Mumbai

iii) Shri K. K. Kishore, Chief General Manager-HPCL, Mumbai

Enclosed: Mail communication from distillery.