

# Telangana floats e-tenders to sell excess paddy stocks

**STOPPED FROM BIDDING.** Local millers miffed as 'stringent criteria' exclude them

**KV Kurmanath**  
Hyderabad

The Telangana government has floated global e-tenders for the sale of 25 lakh tonnes of paddy from the 2022-23 season as its warehouses and rice mills are brimming with rice stocks. To be offered on an as-is-where-is basis, the sale will be held in six lots — five lots with four lakh tonnes each, and the sixth with five lakh tonnes.

The auction process will be held on Telangana's e-tender platform, which will provide details of the paddy stocks lying in various godowns across the State. The e-tender requires a bidder to have an annual turnover of ₹1,000 crore over the last three years. The networth of the bidder should not be less than ₹100 crore.

## **NO CLASH WITH BAN**

The Telangana Government move doesn't clash with the Union Government's recent ban on the export of white (non-basmati) rice, according to sources in the rice export business. "All the stocks that are being auctioned are par-boiled (rabi) paddy, which is not included in the list of banned rice varieties," a miller



**IN PHASES.** The sale will be held in six lots — five lots of 4 lakh tonnes each, and the sixth will have offer 5 lakh tonnes THE HINDU

said. The State government has reportedly taken the Centre's permission before going ahead with the tender announcement. Rice millers in the State, however, are miffed as the eligibility criteria set for the e-auction keep them away from the process. The evaluation and finalisation of bids received shall be based on the the highest price quoted by bidders. The pre-bidding EMD (earnest money deposit) has been fixed at ₹23.40 crore for each of the five lots of four lakh tonnes, and ₹29.25 crore for the sixth lot with five lakh tonnes.

## **PRE-BID MEET**

The government has started accepting the bids from

Thursday. The last date for submission of bids is September 8, 2023. The same day technical bids will be opened. This will be followed by the opening of financial bids and the forward auction will take place on September 11. The State Civil Supplies Department will hold a pre-bid meeting on August 28 to clarify doubts, if any, of prospective bidders.

The State procured about 65 lakh tonnes (lt) of paddy in the 2022-23 rabi season by spending about ₹14,000 crore. With the Union Government insisting that it would take only white rice (not parboiled rice as was the practice till two seasons ago), the State has been saddled with huge stocks.

Though the production of paddy went up by six times to three crore tonnes annually, the milling capacities have remained stagnant. As a result, the mills are constrained to convert the paddy procured by the government to rice, leaving lakhs of tonnes of paddy unmilled and lying at the mills and godowns. Millers are not proactive in milling the rabi paddy as they would get less rice because of the brittleness of the grain. They want the government to pay more to compensate for the losses.

That the Union Government refused to procure about four four lakh tonnes from the 2021-22 season (for not meeting the deadlines that were already extended more than once) shows the enormity of the problem.

With the kharif season having arrived, the State Government would like to free the rice mills and godowns of the stocks so that they would have enough storage for the kharif arrivals. Keeping in view the milling challenges, the State Government has decided to increase the milling capacities and appoint a Cabinet Sub-Committee to study the issue and suggest ways to ramp up the mills.