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FOOD CORPORATION OF INDIA—DESPATCHES OF SUB-STANDARD WHEAT

(MINISTRY OF FOOD AND CIVIL
SUPPLIES—DEPARTMENT
OF FOOD)

COMMITTEE ON
PUBLIC UNDERTAKINGS
1990-91

NINTH LOK SABHA

EIGHTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

EIGHTH REPORT

COMMITTEE ON PUBLIC UNDERTAKINGS (1990-91)

(NINTH LOK SABHA)

FOOD CORPORATION OF INDIA—DESPATCHES OF SUB-STANDARD WHEAT

(MINISTRY OF FOOD AND CIVIL SUPPLIES)
(DEPARTMENT OF FOOD)

(Action taken by Government on the recommendations contained in the
57th Report of the Committee on Public Undertakings Eighth Lok Sabha)



Presented to Lok Sabha

JAN 1991

and Laid in Rajya Sabha on

JAN 1991

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1990/Agrahayana, 1912 (Saka)

CORRIGENDA TO 8TH ACTION TAKEN REPORT
 OF COMMITTEE ON PUBLIC UNDERTAKINGS
 (1990-91) C.N.F.C.I.

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COMMITTEE ON PUBLIC UNDERTAKINGS
(1990-91)

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3. Shri Narsingh Rao Dixit
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Rajya Sabha

- *16. Shrimati Renuka Chowdhury
17. Shri Dipen Ghosh
18. Shri Ajit P. K. Jogi
- *19. Shri Mohinder Singh Lather

*Elected w.e.f. 31-8-1990 in the vacancies caused by resignation of Shri Virendra Verma from Rajya Sabha on 14-6-1990 and of Dr. G. Vijaya Mohan Reddy from the membership of the Committee w.e.f. 9-8-1990.

20. Shri Pramod Mahajan
21. Shri Syed Sibtey Razi
22. Prof. Chandresh P. Thakur

SECRETARIAT

Shri S. C. Gupta—*Joint Secretary.*
Shri K. K. Sharma—*Director.*
Smt. P. K. Sandhu—*Under Secretary*

**ACTION TAKEN SUB-COMMITTEE OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS
(1990-91)**

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2. Shri Dipen Ghosh—*Convener*
3. Shri Hukumdeo Narayan Yadav
4. Prof. Chandresh P. Thakur
5. Prof. Saif-ud-din Soz

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this 8th Report on Action Taken by Government on the recommendations contained in the 57th Report of the Committee on Public Undertakings (Eighth Lok Sabha) on Food Corporation of India—Despatches of sub-standard wheat.

2. The 57th Report of the Committee on Public Undertakings was presented to Lok Sabha on 26 April, 1989. Replies of Government to all the recommendations contained in the Report were received on 22 June, 1990. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 31 October, 1990. The Committee also considered and adopted this report at their sitting held on 31 October, 1990.

3. An analysis of the action taken by Government on the recommendations contained in the 57th Report (1988-89) of the Committee is given in appendix II.

NEW DELHI;

December 11, 1990.

Agrahayana 20, 1912 (S).

BASUDEB ACHARIA.

Chairman,

Committee on Public Undertakings.

CHAPTER—I

REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Fifty-Seventh Report (Eighth Lok Sabha) of the Committee on Public Undertakings on Food Corporation of India—Despatches of Sub-standard Wheat which was presented to Lok Sabha on 26th April, 1989.

2. Action Taken Notes have been received from Government in respect of all the 8 recommendations contained in the Report. These have been categorised as follows:—

(i) *Recommendations/observations that have been accepted by Government*

Sl. Nos. 3 and 6.

(ii) *Recommendations/observations which the Committee do not desire to pursue in view of Government's replies*

Nil.

(iii) *Recommendations/observations in respect of which replies of Government have not been accepted by the Committee*

Sl. Nos. 1, 2, 4 and 7.

(iv) *Recommendations/observations in respect of which final replies of Government are still awaited*

Sl. Nos. 5 and 8.

3. The Committee desire that the final replies in respect of recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

The Committee will now deal with the action taken by Government on some of their recommendations.

A. *Colouring of sub-standard food grains*

Recommendation S. No. 1 (Paragraphs 2.1 to 2.5)

4. The Committee had observed that there had been wanton disregard of norms of quality control in the despatch of foodgrains stored in the godowns of Food Corporation of India to various destinations as a result of which sub-standard wheat was despatched from Naini in February/March, 1984, from Jhansi in September, 1985 and from Orai in October, 1985. The Committee had recommended that in order to avoid the possibility of sub-standard foodgrains being despatched in future, FCI should consider the feasibility of colouring the sub-standard foodgrains in such a manner that it is clearly distinguished that it is meant for cattlefeed and eliminate completely the chances of sub-standard wheat entering into the market for human consumption. They had also desired to be informed of the measures taken by FCI to prevent the sub-standard wheat from being sold to the consumers through the Public Distribution System.

5. In their reply, the Government have stated that at present FCI have no information on suitable colouring material which may not be harmful to animals. Further it may not be feasible because of the volume and nature of operations and materials involved. There is, however, no possibility of sub-standard grains being issued to PDS as foodgrains are issued after joint inspection and certification by the recipient Government and sealed samples are provided at the time of issue. To ensure that damaged foodgrains do not go to the Public Distribution System, these are sold exclusively to the parties who are registered with the Food Corporation of India for the specified usage such as cattle, poultry or industrial use.

6. The Committee are not satisfied with the reply furnished by Government. Considering the fact that substantial quantities of Sub-standard wheat had actually been despatched to different stations for issue from Public Distribution System, the contention of the Ministry that there was no possibility of sub-standard foodgrains being issued to Public Distribution System is hardly convincing. The Committee regret to note that the recommendation of the Committee has not been given the attention it deserved. They would reemphasise that there should be thorough quality checks before despatch of the foodgrains and any laxity in this regard should be severely dealt with.

1. In response to Committee's recommendation about colouring of sub-standard foodgrains, the Ministry have stated that at present FCI have no information on suitable colouring material which may not be harmful to animals. Further it may not be feasible because of the volume and nature of operations and materials involved. The reply of the Ministry is not convincing to the Committee in as much as no serious efforts seem to have been made to find out colouring material which may not be harmful to animals. Further, the colouring of the sub-standard grains was one of the possibilities suggested by the Committee to prevent such grains entering into the market for human consumption. In case this has not been found practicable, other effective measures need to be devised to ensure that the sub-standard grains are clearly distinguishable and are not sold for human consumption. They would also recommend that food grains found to be unfit for human consumption should be utilised for other purposes which are most economic and suitable. While disposing of sub-standard food grains as cattlefeed care should be taken to see that it was not harmful to animals.

B. Prompt investigation of transit and storage losses

Recommendation S. No. 2 (Paragraphs 2.6 to 2.8)

8. The Committee had pointed out that apart from despatching sub-standard wheat from Naini, Jhansi and Orai without checking the quality, neither proper records of the quantity despatched were maintained nor the wheat was weighed before despatch. While deprecating the serious laxity on the part of FCI in detecting and investigation the transit and storage losses, the Committee had emphasized the immediate need for taking steps to plug the loopholes and bring down the transit and storage losses to the minimum. They had also desired that a suitable system should be evolved whereby all cases of transit losses are detected and promptly investigated. The foodgrains despatched should invariably be weighed at the despatch station as also on receipt of the consignment at destination point.

9. In their reply, the Government have stated that continuous efforts are being made to reduce the transit and storage losses and have outlined the various measures taken in this regard. In regard to the recommendation for evolving a system for detection of all cases of transit and storage losses and their prompt investigation, it has been stated that instructions were reiterated by FCI headquarters in March, 1990 for taking action on the squad reports for removal of defects and for taking action against the concerned

officials. Constant monitoring of high loss depots is undertaken and instructions were also reiterated in August, November and December, 1989 for identifying the defaulting depots and initiating action against the defaulters. As a result, action against 53 employees has been taken. Of these 2 employees have been awarded minor penalty, 6 have been suspended, 44 have been issued show-cause notice while salary of one has been stopped.

10. The Committee take note of the efforts being made by FCI to bring down the transit and storage losses. However, the implementation of the instructions issued by the Corporation in this regard leaves much to be desired. The Committee recommend that the instructions issued in this regard should be implemented in letter and spirit to avoid chances of pilferage of foodgrains during transit and storage. Further, in cases of default the action against the delinquent officials is very tardy. They regret to note that in the case of high loss depots, out of 53 defaulting employees final action has been taken so far only against 2 employees. The Committee stress the need for prompt and deterrent action against such employees including supervisory staff. They would also like to be apprised of the action taken against such employees category-wise.

C. Delays in holding inquiries

Recommendation S. No. 4 (Paragraph 2.10)

11. The Committee had expressed unhappiness over the inordinate delay in taking disciplinary action against the erring officials in the three cases of despatch of sub-standard wheat. The delays in completion of inquiries were admitted by Chairman, FCI to be due to inaction on the part of disciplinary authorities which are spread all over the country. In one of the cases viz. Naini, the Senior Regional Manager, U.P., showed utter disregard to the repeated reminders from the Headquarters for initiating disciplinary action. As a result, the persons responsible for the delay in initiating disciplinary action were yet to be identified. While expressing serious concern over this disgusting state of affairs, the Committee had desired to be apprised of the action taken against the Senior Regional Manager, U.P. for not initiating the inquiry in spite of several reminders from FCI Headquarters.

12. The Government have stated in their reply that in the case of despatch of sub-standard wheat from Naini to Mangalore, in spite of best efforts, due to resistance and rebellious mood of the staff posted at FSD, Naini, prompt action could not be taken for investigation and initiation of disciplinary proceedings. Even then in all these cases

i.e. in the despatch of substandard wheat from Naini, Jhansi and Orai, action has been taken against the officials who have contributed for the delay in initial completion of the investigations. However charge sheets under minor penalty are to be issued to 2 Category-I officers who have also been identified for failure to take prompt action in regard to despatch of sub-standard wheat from Orai to Mangalore*.

13. In regard to the action against Senior Regional Manager, U.P. it has been stated that a Committee was formed to identify the SRM responsible for not having taken prompt action as during the relevant period 5 officers have held the charge of SRM (UP). That Committee has reported that these cases had not been properly submitted and put up to the SRM/RM for deciding the cases and for orders and the cases on files were being dealt with at lower levels and that SRM could not be directly held responsible for delay in initiating the proceedings.

14. The Committee are surprised at the reply of Government that in the case of despatch of sub-standard wheat from Naini to Mangalore, prompt action could not be taken for investigation and initiation of disciplinary proceedings due to resistance and rebellious mood of the staff posted at FSD, Naini. This only shows the ineffectiveness of the management of FCI. The Committee would emphasise the need for dealing with such cases promptly and firmly. There should be no laxity in dealing with such cases even if it involves taking severe disciplinary action against employees obstructing the investigation.

15. The Committee also regret to note that no action has been taken against the Senior Manager, UP for inordinate delay in fixing responsibility and taking action against erring officials inspite of repeated instructions from the Head Office. The reasons advanced by the Ministry in this regard are hardly convincing. The Committee reiterate their recommendation and would like to be apprised of the action taken within three months.

*At the time of factual verification, the Committee were informed by F. C. I. as under :—

“Action has been completed against the two category I officers under minor penalty. One officer has been censured while the other has been awarded the penalty of stoppage of increments for 3 years without cumulative effect.”

(F. C. I. D. O. No. P&R/19 (5)/90 dated 7-11-1990)

*D. Recovery of Losses caused to FCI***Recommendation S. No. 5 (Paragraph 2.11)**

16. The Committee had expressed their unhappiness over the fact that the vigilance enquiry for misappropriation charges against the godown incharge at Jhansi, which was initiated in March, 1984 could not be completed before the end of 1988. The Committee had a feeling that the completion of the enquiry was delayed deliberately to help the delinquent officers. They had, therefore, suggested that persons responsible for delaying the inquiry should be identified and suitable action taken against them. The Committee had also recommended that action should be initiated as per the procedure laid down for recovery of losses caused to FCI from the persons who have been found directly responsible for causing such losses.

17. The Government have stated in their reply that a major penalty of reduction in rank for a period of 3 years has been imposed on 16-1-1989 on the Godown Incharge at Jhansi. The main reason for the delay in the conduct of inquiry has been due to frequent change of Inquiry Officers and Presenting Officers and there has been no intentional delay on the part of any officials. In regard to the recovery of losses it has been stated that as per procedure the recovery of pecuniary loss caused to the Corporation from the pay of the delinquent is imposed only when it has been established that the delinquent was directly responsible for a particular act or acts of negligence or breach of orders or rules which caused the loss. Such recoveries are not to exceed 1/3rd of basic pay of the delinquent and should be spread over a period of 3 years. In other words, the recovery should not exceed one year's basic pay, in any case. In view of this limitation, the scope of recovery of the loss from the employees is very much limited. However, the FCI is examining the question of filing civil suits or prosecuting the delinquents in a criminal court for offences punishable under the Indian Penal Code.

18. The Committee would like to stress that the recovery of pecuniary loss to the Corporation from the persons found responsible for such losses is necessary to act as a deterrent. They would like to be informed of the final decision taken in regard to filing of civil suits or prosecuting the delinquents in a criminal court.

*E. Deterioration of Wheat at Airstrip Lalitpur***Recommendation Sl. No. 7 (Paragraph 2.13)**

19. A quantity of 1.07 lakh tonnes of wheat was stored at Airstrip Lalitpur in 1985. While observing that due to unsatisfactory pre-

ervation measures, there was heavy infestation in the stocks, which also got damaged due to heavy rains in October, 1985, the Committee had strongly deprecated the careless manner in which the stocks were handled by FCI, causing a heavy loss to the tune of Rs. 2.40 crores. 7 category III officials and 2 category II officials were reported to have been dismissed from service. The Committee, had desired that the inquiry against the other officers involved, which was in progress should be completed without any further delay and deterrent action taken against the officers found guilty.

20. In their reply, the Government have stated that apart from the officials who have already been dismissed from service, 3 category I officers have been charge-sheeted under major penalty and the inquiry is in progress.* The then District Manager, Jhansi, was also charge-sheeted and the case is pending with the inquiry officer. The proceedings against 4 category II officials who were charge-sheeted under major penalty have been completed and charges dropped by the competent authority.

21. The Committee deplore the inordinate delay in completing the inquiry in this case in spite of the recommendation of the Committee that the inquiry should be completed without any further delay. It is regrettable that the disciplinary cases are allowed to linger on for years. The Committee desire that the inquiry in this case should at least now be completed expeditiously and the Committee apprised of the action taken against the delinquent officials within three months of the presentation of the Report.

F. Maintenance of Quality of Stocks

Recommendation S. No. 8 (Paragraphs 2.14 & 2.15)

22. In view of the dismal state of affairs prevailing in FCI, the Committee had recommended the appointment of a High Level Committee of Experts by the Government to examine in depth the working of FCI and suggest ways and means to remove the prevailing shortcomings so that the Corporation becomes an effective instrument for proper handling, procurement and distribution of good quality foodgrains.

*At the time of factual verification, the Committee were informed by FCI as under: --

"One officer has been exonerated while the other has been censured and the case of third one is under finalisation."

(FCI D. O. No. P&R/19 (5)/90 dated 7-11-1990) and P&R/19(3)/90 dt 28.11.90)

23. In their reply, the Government have stated that a number of Committees, set up by the Government of India as well as by the FCI have examined the working of FCI with a view to bringing about overall efficiency and economy in its operation. At present, a Committee for Quality Control and storage losses, set up as per a decision of the Board of FCI in February, 1989 is looking into the quality control and storage losses aspects. In these circumstances, it is felt that it may not be necessary to set up Committee of Experts for a comprehensive examination of the working of FCI. However, it has been decided to constitute an Expert Committee to undertake a limited study of the procedure for maintenance of the quality of stocks while in storage and the check over its quality at the time of despatch. This Expert Committee was expected to submit its report to the Secretary (Food) by the end of July, 1990. Subsequently, the Committee have been informed that the period for submission of the Report by the Expert Committee has been extended upto November, 1990. However, the Committee had submitted an interim report in August, 1990.

24. The Committee recommend that the Report of the Expert Committee appointed for comprehensive examination of the procedures followed in FCI for maintenance of quality of stocks and related matters, should not be delayed beyond November, 1990. They would also like to be informed of the action taken by Government on the suggestions made by the Expert Committee.

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CHAPTER II
RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY
GOVERNMENT

Recommendation S. No. 3 (Para 2.9)

Another aspect which intrigued the Committee was the non-implementation of the quality control provisions. While the foodgrains stored in the FCI godowns are required to be examined every fortnight by the technically qualified staff with a view to undertaking prophylactic and curative treatments, wherever necessary, such examination was not being done regularly. In the case of wheat stored at Naini, the period of such inspection before the wheat was despatched to Mangalore ranged from 55 to 144 days. As a result, A and B categories of wheat when received at Naini between October, 1982 to March, 1983 got deteriorated and downgraded to below 'D' category by the time it was despatched to Mangalore. Similarly, the last inspection of wheat stored at Jhansi depot as done in April, 1984 and the stock was despatched in September, 1985. The Committee need hardly point out that the deterioration in quality of stocks could have been prevented, had there been regular inspection and had they been given timely prophylactic and curative treatment. The Committee expect the FCI to tighten the supervision machinery and take prompt and suitable action against the supervisory officers, wherever laxity is found.

Reply of Government

As per the standing instructions, the Technical Assistant in the godown is required to inspect the stocks of foodgrains in storage every fortnight. The prophylactic treatment is required to be given every fortnight and curative treatment as warranted as per the inspection carried out. The Assistant Managers (QC) are also required to undertake the inspection of the depots every month and test check the categorisation of at least 30 per cent. of the stocks for the correctness of the categorisation and classification. The Deputy Managers (QC) are required to inspect every depot under their jurisdiction once in 3 months and during their inspection they have to ensure not only the correctness of the categorisation but also to see that the stocks are kept in proper condition. The need for regular fortnightly inspection by the Technical Assistants,

regular supervision inspection by the Assistant Manager (QC) and Deputy Manager (PC) has been emphasised. The Regional Managers and the Zonal Managers have been advised to keep a watch over these primary inspections and the supervisory inspections, and take suitable action against the officials not undertaking the inspection in time.

[Department of Food O.M. No. 11-1/89-FC. II dated
22nd June, 1990]

Recommendation S. No. 6 (Para 2.12)

The Committee have also noted that there are a large number of cases in FCI where inquiries are pending for more than a year. Obviously, there is a need for strengthening the Vigilance Department in the Corporation. The Committee note that a whole time Chief Vigilance Officer has been appointed in the Head Office. The Committee hope that the post of Enquiry Officers created in the Regional Offices would also be filled up soon to accelerate the process of completion of pending inquiry cases.

Reply of Government

To expedite the cases pending with the Inquiry Officers, the Corporation has taken the following action:—

- (i) Filling up the vacancies of full time Inquiry Officers;
- (ii) Engaging of retired Judicial Officers/officials of the Corporation as Inquiry Officers on contract basis;
- (iii) Giving special incentive to the serving Category-I officers of the Corporation to undertake inquiry work in addition to their regular sphere of duties.

All the 25 sanctioned posts of regular Inquiry Officers have been filled.

[Department of Food O.M. No. 11-1/89-FC. II dated
22nd June, 1990]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

--NIL--

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation S. No. 1 (Paras 2.1 to 2.5)

The Committee have observed that there have been wanton disregard of norms of quality control in the despatch of foodgrains stored in the godowns of Food Corporation of India to various destinations. As a result sub-standard wheat was despatched from Naini to Mangalore in February/March, 1984; from Jhansi to Mangalore in September, 1985; and from Orai to Mangalore in October, 1985.

The Committee have been informed that on the basis of weeviled germ-eaten grains, wheat is categorised into four categories viz., A, B, C and D. Category A contains germ-eaten grain upto 1 per cent. In category B, germ-eaten grain is above 1 per cent and upto 4 per cent and in category C, it is above 4 per cent and upto 7 per cent whereas in category D it is above 7 per cent and upto 15 per cent. As regards disposal of each category, it has been stated that whereas A and B categories are made available for consumption through Public Distribution System, C and D categories are not issued for direct consumption but are given to the Roller Flour Mills for processing into Maida, Suji etc. According to FCI any sub-standard stock i.e., below category D is either disposed of as cattle feed or is upgraded before despatch to another place.

The Committee are distressed to observe that 2229 tonnes of sub-standard wheat was despatched by FCI during February/March 1984 from Naini to Mangalore by declaring it as C and D category wheat. Before despatch, quality of the stock was not verified, as should have been done as per normal practice and this lapse was detected only after the consignment was received at Mangalore and the labourers. handling these, developed allergic symptoms on skin, eyes etc. In this connection, Managing Director of FCI also admitted the despatch instructions were sent for C and D wheat and not for sub-standard wheat...without upgrading this should not have been despatched".

In another case, 1117 tonnes of lower category wheat, kept in FCI godown closed for two years as the godown was sealed after the suspension of godown incharge on misappropriation charges was despatched from Jhansi to Mangalore without exercising proper checks about the quality. On receipt at Mangalore on 21st September, 1985, it was noticed that the stock contained waste flour to the extent of 5 per cent to 6.5 per cent and insect bored and tunneled grain to the extent of 22 to 28 per cent. When the labourers refused to unload the stock, it was rebooked to Bangalore on 22 September, 1985 on the advice of Zonal Manager (South). The Committee are astonished to observe that even though the entire stock in FCI depot was sub-standard, only 37 tonnes of wheat was shown as sub-standard in the records of the depot, as was also admitted by the Secretary, Department of Food during his evidence. The remaining quantity was shown as C and D category and was despatched.

Yet in another case, 1664 tonnes of lower category wheat containing weeviled grain with heavy infestation (23 to 74 per cent) was received at Mangalore from *Orai* (Jhansi) in October, 1985. The labourers there are refused to unload the stock and on the advice of Regional Manager, Bangalore, the consignment was rebooked from Mangalore to *Orai* in November, 1985, since the authorities at Mangalore expressed their inability to handle or to issue such sub-standard wheat. The quantity received at *Orai* was 1631.865 tonnes. The loss incurred as a result of storage, transportation, demurrage, cleaning etc. In this case amounted to Rs. 29 lakhs. In Committee's view, this loss has occurred due to sheer negligence and blatant violation of the clear instructions to dispose of sub-standard wheat as cattle feed or poultry feed. The Committee recommend that in order to avoid the possibility of sub-standard foodgrains being despatched in future, FCI should consider the feasibility of colouring the sub-standard foodgrains in such a manner that it is clearly distinguished that it is means for cattle-feed and eliminate completely the chances of sub-standard wheat entering into the market for human consumption. The Committee would like to be informed of the measures taken by FCI to prevent the sub-standard wheat from being sold to the consumers through the Public Distribution System.

Reply of Government

At present FCI have no information on suitable colouring material which may not be harmful to animals. Further it may not be feasible because of the volume and nature of operations and

materials involved. Despatches of foodgrains below specified standards occurred due to negligence of officials at the despatching and the officials found guilty have been severely dealt with. There is, however, no possibility of sub-standard grains being issued to PDS as foodgrains are issued after joint inspection and certification by the recipient Government and sealed samples are provided at the time of issue. To ensure that damaged foodgrains do not go to the Public Distribution System, these are sold exclusively to the parties who are registered with the Food Corporation of India for the specified usage such as cattle, poultry or industrial use.

[Department of Food O.M. No. 11-1/89-FC. II dated
22nd June, 1990]

Comments of the Committee

(Please see paragraphs 6 and 7 of Chapter I of the Report)

Recommendation S. No. 2 (Paras 2.6 to 2.8)

From the material placed before them, the Committee have formed an impression that apart from despatching sub-standard wheat from Naini, Jhansi and Orai without checking the quality, neither proper records of the quantity despatched were maintained nor the wheat was weighed before despatch. Thus in the case of Naini, FCI assumed the quantity despatched to be 2170 tonnes apparently on the basis of communications from CWC, Mangalore, although no specific receipt had been obtained from CWC. However, after the Committee took up this subject for examination, this figure was revised by FCI to 2229 tonnes.

The Committee find from the break-up of the figure 2229 tonnes of wheat, as furnished by FCI 42 tonnes were taken up for cleaning, 1171 tonnes were moved to Shimoga godown and 939 tonnes were declared fit for cattle feed. This left a shortage of 77 tonnes which could not be accounted for. However, during evidence, Food Secretary explained that this shortage of 77 tonnes of wheat was due to transit and storage losses which were written off by competent authority, It has also been reported that no responsibility in these cases had been fixed on anybody and claim with Railways had also not been preferred because of the receipt of wagons in 'seal intact condition'.

Similarly, a shortage of 33 tonnes of wheat in the case of wheat rebooked from Mangalore to Orai did not come to the notice of Head Office and they came to know only when they were preparing for their oral evidence before the Committee on Public Undertakings.

The Committee cannot but deprecate the serious laxity on the part of FCI in detecting and investigating the transit and storage losses which had reached the alarming figure of Rs. 151 crores during 1986-87, as was admitted by the Secretary, Department of Food, during his evidence before the Committee. The Committee note that in 1986-87 an amount of Rs. 2000|-crores was paid to FCI as subsidy. They strongly feel that there is immediate need for taking steps to plug the loopholes and bring down the transit and storage losses to the minimum possible extent. The Committee also desire that a suitable system should be evolved whereby all cases of transit losses are detected and promptly investigated. The Committee also desire that the foodgrains despatched should invariably be weighed at the despatch station as also on receipt of the consignment at destination point.

Reply of Government

A. Transit and Storage Losses

Transit and storage losses arise due to a variety of reasons, such as vagaries of weather, deterioration in quality during storage, moisture loss, losses due to multiple handling and movement, etc. or due to theft and pilferage. The Government and the FCI are already seized of the problem of reducing transit and storage losses. Continuous efforts are being made to reduce these losses. Some of the important measures taken for reducing these losses are given below:—

(f) Stringent enforcement of specifications and effective preservation of stocks:

The quality control wing of the FCI enforces stringent measures to ensure that only stocks within specifications are purchased. Constant checking of stocks is done to assess the quality of grains in storage and to assess the behaviour of stocks and take remedial measures to ensure quality and thus avoid down-gradation and consequential losses.

(ii) Augmentation—of covered storage capacity:

FCI has endeavoured to increase the owned covered storage capacity so as to minimise storage and consequent losses in open and un-

scientific hired godowns. The increase in the covered storage capacity is given below:

(IN LAKH MT)		
As on 31-3-1982	As on 31-3-1987	As on 31-3-89
79.35	112.52	118.60

(iii) *Improvement in weighment facilities:*

To improve weighing facilities, FCI has decided to install weighbridges in all godowns of 5000 MTs capacity and above. The position in this respect is as follows:

	30-4-86	31-10-88	30-6-89
Total No. of W.B. required	488	519	519
Total No. of W.B. installed	263	449	480

Electronic Weighbridges have already been installed at Ghevra and Borovilli. Constant monitoring on the working of all the Weighbridges and their maintenance is done to ensure optimum use and achieve correct weighment.

(iv) *Improvement in size and structure of gunnies and machine stitching of bags:*

To avoid bursting and bleeding and consequent loss, the quantum of filling of wheat was reduced from 100 Kg. to 95 Kg. Experiments in 50 Kg. packing are in progress. Action is also being taken to improve the quality of gunnies in consultation with DGS&D by way of stringent inspections Machine stitching on bags is also being vigorously pursued. The FCI issued directions to its field offices in November, 1989 to undertake the work of machine stitching in mandis operated by them and the State agencies.

(v) *Maintenance of depot accounts:*

The day-to-day closing of depot accounts like master ledger, stocks and shed registers for computing losses has been insisted upon. A Committee was formed to rationalise the stocks/depot accounts.

The recommendations are under scrutiny for implementation. Training is given to the staff on maintenance of registers etc. The FCI issued instructions in March, June and August, 1989 and February, 1990 with regard to completion of master ledger and strict physical verification.

(vi) *Tightening of supervision:*

The various squad viz. S&S Squads, QC Squads and Vigilance Squads formed at Headquarters, conduct surprise checks of depots, railheads, etc. The Headquarters squads of S&S Division alone conducted inspection as follows:

Year	No. of visits	No. of depots checked	No. of railheads checked
1987	30	78	25
1988	29	73	26
1989 (upto 31-7-89)	26	53	17

There is a system of inspection of Senior Officers. The various squads formed in Distt., Region & Zone conduct surprise checks. All the squads reports are monitored at appropriate levels and required action taken.

The squad visits work as a deterrent in the field against committance of any irregularity. As a result of the above surprise checks, disciplinary action was initiated against 9 officials. Out of these 9 cases, 2 cases have been finalised. In one case penalty of censure has been imposed and in the other case penalty of withholding of one increment has been imposed.

(vii) *Reduction in open wagons movement:*

The FCI has been making continuous efforts with Railways for reducing the movement of foodgrains in open wagons. Consequently open wagons movement of foodgrains has been reduced as indicated below:

Year	Open wagons movement as of % age to total wagons
1982-83	9.7
1986-87	7.3
1987-88	6.5
1988-89	1.7

(viii) *Providing escorts for foodgrains rakes:*

To identify the transit losses prone areas and to pin point the causes for transit losses enroute, escorts were sent alongwith RPF with foodgrains specials from Punjab to East Zone areas. The matter of RPF personnel getting off enroute and not going upto terminals was taken up with railways, who have issued instructions to all concerned in Railways to the effect that RPF should go upto the destination. FCI has also given incentives to staff for escorting the rakes. In view of the difficulties faced by the staff, the FCI requested the Railways in February, 1990 for providing separate coach for sending escorts with the specials.

(ix) *Steps taken to prevent theft and pilferage:*

(a) Fencing of godowns, construction of compound walls and provision of lighting in and around godowns.

(b) Provision of FCI's own watch and ward staff for round the clock vigil, provision of security personnel, wherever needed, in vulnerable places and induction of CISF in some selected areas.

(c) Intercepting weighed trucks and wagons for checking etc.

(x) *Other steps for reducing losses:*

(a) *Weightment:* In August, 1989, FCI reiterated its earlier instructions to its field offices that all stocks should be weighed at the time of despatch and receipt.

(b) *Squad checking of loading and unloading points:* The Headquarter Squads conducted 25 visits from 4/89 to 2/90 covering 13 regions of the five zones. These squads checked 18 Railheads and 59 depots for the purpose of checking loading and unloading points and depot operations.

(c) *Monitoring of high loss depots:* Constant monitoring of high loss depots is undertaken. Instructions were reiterated by FCI Headquarters in August, November and December, 1989, for identifying the defaulting depots and initiating action against the defaulters. As a result of extensive monitoring action against 53 employees, as detailed below, has been taken:

Minor penalty	2
Suspension	6
Slow-cause notice	44
Stoppage of salary	1

(d) *Speedy finalisation of squad reports for fixing responsibility:* Instructions were reiterated by FCI Headquarters in March, 1990 for taking action on the squad reports for removal of defects and for taking action against the concerned officials.

(e) *Infrastructure facilities at mandies/purchase points:* For smooth procurement operations, proper weighment of stocks and proper upkeep of stocks to avoid any type of loss, State Government is required to provide adequate infrastructure facilities in the mandis. Detailed instructions to field offices were issued by FCI Headquarters in June and August, 1989 in this regard.

(f) *Management information system:* The storage and transit shortages have to be accounted for immediately on occurrence and reported to all concerned. Headquarter has prescribed various returns for reporting the depotwise shortages every month. High loss occurring depots had also been identified in 1988 and the performance is closely monitored. The computer installed in Headquarter (in 1986) is also being used now to record the trend of losses in quantity and percentage for the identified high loss depots. Data relating to these depots has already been entered into the computer and an error list has already been taken out which after corrections will be further utilised to generate detailed reports/informations. Subsequently details of all the depots is to be fed to identify areas of improvement/or otherwise. Such monitoring is likely to improve Management information and facilitate Headquarter to take corrective steps for future also.

A detailed review on shortages, regularisation, physical verification on high loss depots etc. is taken every month also. Special Agenda had been drawn for physical verification and regularisation in the current year and were discussed in details and instructions were issued to Regions/Zones.

(g) *Posting of FCI staff at transshipment points:* To reduce/avoid losses at transshipment points, FCI had taken up the matter with railways. Consequent to this, FCI staff have already been posted at Bongaigaon and Miraj. Railway authorities have not agreed for posting of FCI staff at transshipment point Bayanpanhalli. Action to post FCI staff at other transshipment points has also been taken

2. The various steps taken have resulted in reduction of transit and storage losses from 2.37 per cent in 1982-83 to 1.25 per cent in 1988-89, as will be seen from the following table:

(Quantity in lakh MTs)

Total Shortages (Transit Storage)

Year	Purchase+Sales	Shortage	% age of shortage over purchase+ Sales in terms of quantity.
	Quantity	Quantity	
1982-83 .	312.78	7.40	2.37
1983-84 .	319.00	6.74	2.11
1984-85 .	295.14	5.72	1.94
1985-86 .	368.40	5.95	1.62
1986-87 .	398.96	6.51	1.63
1987-88 .	407.00	7.01	1.72
1988-89 .	338.25	4.23	1.25

B. Weighment of Foodgrains and reporting of loss

3. Weighment of stocks is done at the time of despatch and receipt. The depots have been instructed to weigh stocks promptly to compute transit loss and report within 24 hours to the District/Regional office concerned and also to the consigner. Instructions on prompt despatch of documents to consignees to facilitate detection and provision of convoy notes in each wagon have been reiterated. Squads and inspecting officer check up this aspect during their inspections. Stocks are weighed at despatch stations and the weight so arrived is recorded in Railway forwarding note to facilitate preparation of RRs. At destination end also stocks are invariably weighed. In FCI's own siding godowns where immediate 100 per cent weighment in weighbridges is not possible, at least 10 per cent weighment is conducted. FCI has decided to install weighbridges in all godowns of 5000 MT capacity and above.

4. The FCI has installed 480 weigh-bridges so far out of 519 required. FCI has also installed electronic weigh-bridges for weighment purpose at some places. FCI is taking action to install

electronic in-motion wagon weigh-bridges. Two selected despatching stations are Sanehwal and Panipat and two selected recipient stations are Naraina and Dhankuni. Based on the performance of these, more such electronic weigh-bridges are proposed to be installed. This would help enhancing weighment output and also improve the quality of the weighment leading to quick and realistic assessment of transit losses.

5. Observations of the Audit on the above Action Taken Note and comments of this Department thereon are reproduced below.

[Department of Food OM No. 11-1/89-FC.II dated
22nd June, 1990]

Statement Containing Observations of audit on Action Taken Note on Recommendation No. 2 (Paras 2.6 to 2.8 of the report) and Comments of the Department of Food

Para No. of Action Taken Note	Observations of the Audit	Comments of the Department of Food
1(ix)	These steps have been stated in general terms and have already been in existence for some time if these have been strengthened and have resulted in any improvement, the same may be intimated to the Committee.	The various steps taken by FCI have resulted in reduction of transit and storage losses from 2.37% in 1982-83 to 1.25% in 1988-89. It may not be possible to indicate the quantum of reduction of transit and storage losses, on account of steps taken to prevent theft and pilferage.
1(x) (c)	It is noted that even in cases of high loss depots, so far only corrective action taken against the defaulting employees is imposition of 'minor penalty'.	The penalty has to be imposed by the disciplinary authority commensurate with the lapse of the employee. Out of 53 employees only one case has been finalised in which minor penalty has been imposed. The other 52 cases are yet to be finalised.

Comments of the Committee

^a (Please See Paragraph 10 of Chapter I of the Report)

Recommendation S. No. 4 (Para 2.10)

The Committee cannot but express their unhappiness over the inordinate delay in taking disciplinary action against the erring officials in the three cases of despatch of substandard wheat. Though the case relating to despatch from Naini came to the notice of FCI in March, 1984, charge-sheets in the case were issued only

in March, 1988. In the case of despatches from Jhansi and Orai made in September and October, 1985 respectively, charge-sheets were issued in April, 1988 and June, 1987 respectively. All these inquiries were completed during the last quarter of 1988 after the Committee took up the subject for examination. The delays in completion of inquiries were admitted by Chairman, FCI to be due to in-action on the part of disciplinary authorities which are spread all over the country. In one of the case viz. Naini, the Senior Regional Manager, U.P., showed utter disregard to the repeated reminders from the Headquarters for initiating disciplinary action. As a result, the persons responsible for the delay in initiating disciplinary action are yet to be identified. The Committee cannot but express their serious concern over the disgusting state of affairs in the Corporation. This reflects lack of control by the Headquarters over its Regional Offices. The Committee would like to be apprised as to what action has been taken against the Senior Regional Manager, U.P. for not initiating the inquiry inspite of several reminders from FCI Headquarters.

Reply of Government

In the case of despatch of sub-standard wheat from Naini to Mangalore, prompt action to identify the officials responsible for despatch of sub-standard wheat and to take appropriate disciplinary action against them could not be initiated because the staff posted at FSD, Naini had been obstructing the investigation. They had even gone to the extent of manhandling the officers who took up the investigation, so much so the officers were even reluctant to visit Naini for conducting any investigation and to procure relevant records. The assistance of police was also requisitioned to enable the officers to take up the investigation. It may be relevant to mention here that an IPS officer who was working as Joint Manager (Vigilance), Regional Office, Lucknow also could not procure the relevant documents from Naini Depot for initiating action even though he went to Naini with Police Force. Thus inspite of best efforts, due to resistance and the rebellious mood of the staff, posted at FSD, Naini, prompt action could not be taken for investigation and initiation of disciplinary proceedings.

Even then in all these cases i.e. in the despatch of substandard wheat from Naini, Jhansi and Orai action has been taken against the following officials who have contributed for the delay in the initial completion of the investigation:—

(1) *Despatch from Naini to Mangalore:*

Shri B. B. Das, the then AM(QC) and

Shri Udai Singh, the then AM(D)—both posted during the relevant period at Naini.

The penalty of stoppage of one increment without cumulative effect has been imposed on Shri B. B. Das. Though Shri Udai Singh was exonerated of the charges levelled against him on account of the fact that he was under suspension during the period, a fresh charge sheet under minor penalty has since been issued for the delay on his part in identifying the delinquents.*

(2) *Jhansi to Mangalore:*

Shri S. C. Srivastava, AM(QC)

A penalty of stoppage of one increment without cumulative effect was imposed.

(3) *Orai to Mangalore:*

Shri B. K. Aggarwal, AG.I(M)

A penalty of stoppage of one increment without cumulative effect has been imposed.

In addition to the above, 2 category-I officers have also been identified for failure to take prompt action in this regard and charge sheets under minor penalty are to be issued to them.*

In so far as action against, SRM, UP is concerned, a committee was formed to identify the SRM responsible for not having taken prompt action, as during this period more than one officer has held the charge of SRM(UP).

During the relevant period 5 officers have held the charge as SRM(UP) as per the following details:

*At the time of factual verification, the Committee were informed by FCI as under: -

"Action under minor penalty has since been completed against the Assistant Manager (Depot) who has been awarded the penalty of stoppage of one increment without cumulative effect. Action has also been completed against the two category of officers under minor penalty. One officer has been censured while the other has been awarded the penalty of stoppage of increments for 3 years without cumulative

1. Shri K. S. Gupta 1.3.84 to 31.7.84 (Retired)
2. Shri P. K. Vasudeva 1.8.84 to 25.7.86.
3. Shri Rajender Bhanwal 25.7.86 to 14.9.87 (Deputationist/repatriated)
4. Shri M. A. Hakeem 19.9.87 to 2.12.87 (on tour from Hqrs.)
5. Shri G. P. Verma 2-12-87 to date.

The Committee has reported that these cases have not been properly submitted and put up to the SRM/RM for deciding the cases and for orders and the cases on files were being dealt with at lower levels and that SRM could not be directly held responsible for delay in initiating the proceedings.

[Department of Food O.M. No. 11-1/89-FC.II Dated:
22nd June, 1990]

Comments of the Committee

(Please see paragraphs 14 and 15 of Chapter I of the Report)

Recommendation S. No. 7 (Para 2.13)

Apart from the despatches of sub-standard wheat discussed in the preceding paragraphs, a case of deterioration of wheat stored in the open was noticed by the Committee. A quantity of 1.01 lakh tonnes of wheat was stored at Airstrip Lalitpur in 1985. Due to unsatisfactory preservation measures, there was heavy infestation in the stocks, which also got damaged due to heavy rains in October, 1985. The Committee are surprised to observe that no salvaging operations were undertaken between October, 1985 and May, 1986 and only marginal segregation was done as a result of which only 23498 tonnes of damaged wheat could be salvaged. The Committee strongly deprecate the careless manner in which the stocks have been handled by FCI. Admittedly, this is due to the negligence on the part of the staff which caused FCI a heavy loss to the tune of Rs. 2.40 crores. Although 7 category III officials and 2 category II officers are reported to have been dismissed from service, the inquiry against some other officers is still in progress. The Committee desire that the inquiry against the officers involved should be completed without any further delay and deterrent action taken against the officers found guilty.

Reply of Government

In respect of damage caused at Airstrip Lalitpur the position regarding disciplinary action taken against the officials/officers is as under:—

- (i) 7 category-III and 2 category-II officials have been dismissed from service.
- (ii) 3 category-I officers have been charge-sheeted under major penalty and the inquiry is in progress.*
- (iii) The then District Manager, Jhansi was also charge-sheeted and the case is pending with the Inquiry Officer.
- (iv) The proceedings against 4 category II officials who were charge-sheeted under major penalty have been completed and charges dropped by the competent authority. The proceedings against two category-II officials have been kept in abeyance as they have already been dismissed from service in the case referred at (i) above.

[Department of Food O.M. No. 11-1/89-FC.II Dated:
22nd June, 1990]

Comments of the Committee

(Please see paragraph 21 of Chapter I of the Report)

*At the time of factual verification, the Committee were informed by FCI as under:—

"One officer has been exonerated while the other has been censured and the case of third is under finalisation"

(FCI D. O. No. P&R/19 (5)/90 dated 7-11-1990) and P & R/19 (3)/90 dt. 28. 11. 1990

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

(Recommendation S. No. 5 (Para 2. 11))

The Committee are unhappy to observe that although the Vigilance enquiry for misappropriation charges against the godown in-charge at Jhansi was initiated in March, 1984, the same could not be completed before the end of the year 1988. What is more intriguing is that the Godown incharge who was suspended in March, 1984, was reinstated in March, 1986 and the charge-sheet was issued to him in October, 1987. Even after issuing the charge-sheet the Enquiry Officers were changed four times. The Committee have a feeling that the completion of the enquiry was delayed deliberately to help the delinquent officers. The Committee would, therefore, suggest that persons responsible for delaying the inquiry should be identified and suitable action taken against them. They would also recommend that action should be initiated as per the procedure laid down for recovery of losses caused to FCI from the persons who have been found directly responsible for causing such losses. The Committee would like to be apprised of the final action taken in this regard.

Reply of Government

On the Godown Incharge at Jhansi a major penalty of reduction in rank from AG.II(D) to AG.III(D) for a period of 3 years has been imposed on 16-1-1989. The main reasons for the delay in the conduct of inquiry has been due to frequent change of Inquiry Officers and Presenting Officers and there has been no intentional delay on the part of any officials.

2. The penalty of recovery of loss from the pay of the delinquent has been incorporated under Regulation 54(iii) of the FCI (Staff) Regulations, 1971. As per procedure the recovery of pecuniary loss caused to the Corporation from the pay of the delinquent is imposed only when it has been established that the delinquent was directly responsible for a particular act or acts of negligence or breach of

orders or rules which caused the loss. Such recoveries are not to exceed 1/3rd of basic pay of the delinquent and should be spread over a period of 3 years. In other words, the recovery should not exceed one year's basic pay, in any case. In view of this limitation, the scope of recovery of the loss from the employees is very much limited. Further, it may not be possible/feasible to recover the amount of the losses from the employees for the following reasons:—

- (i) The number of employees involved is quite large and it may not be possible to apportion the amount of loss to be recovered from each employee based on their lapse.
- (ii) The amount of loss cannot be recovered from the employees who have been dismissed/removed from service.
- (iii) The disciplinary authority (SRM, UP) has stated that he has already awarded penalties as warranted by the gravity of the charge and the findings of the Inquiry Officer.

3. However, the FCI is examining the question of filing civil suits or prosecuting the delinquents in a criminal court for offences punishable under the Indian Penal Code.

(Department of Food O.M.No. 11-1/89-FC. dated: 22nd June, 1990)
Comments of the Committee

(Please see paragraph 18 of Chapter I of the Report)

(Recommendation S. No. 8 (Paras 2.14 & 2.15))

On the basis of material placed before the Committee and also the evidence of representatives of FCI and the Ministry, the Committee have come to a painful conclusion that the state of affairs in the Food Corporation needs to be gone into thoroughly for effecting all round improvement. There is utter disregard of procedures prescribed for periodical checking of foodgrains stored in the FCI godowns resulting in deterioration of quality. Foodgrains are despatched to different stations without verifying their quality and quantity. Shortages are simply written off as storage and transit losses. What is worse, that matter relating to negligence of officers are deliberately allowed to linger on for years without anybody being held responsible for the delays and lapses.

Keeping in view the dismal state of affairs prevailing in FCI, the Committee recommend that Government should appoint a High

Level Committee of Experts which should examine in depth the working of FCI and suggest ways and means to remove the prevailing shortcomings so that Corporation becomes an effective instrument for proper handling procurement and distribution of good quality foodgrains.

Reply of Government

A number of Committees, set up by the Government of India as well as by the FCI have, examined the working of FCI with a view to bringing about overall efficiency and economy in its operations. A list of such committees is given below. At present, a Committee for Quality Control and storage Losses; set up as per a decision of the Board of FCI in February, 1989, is looking into the quality control and storage losses aspects. Besides, the Bureau of Industrial Costs and Prices is also undertaking an exhaustive cost study on FCI operations and its report is awaited. In these circumstances, it is felt that it may not be necessary to set up Committee of Experts for a comprehensive examination of the working of FCI. However, it has been decided to constitute an Expert Committee to undertake a limited study of the procedure for maintenance of the quality of stocks while in storage and the check over its quality at the time of despatch. The Committee of Experts has been set up *vide* this Department O.M. No. 11-2/89-MC. II dated 10th April, 1990 (Copy reproduced below).

[Department of Food O.M. No. 11-1/89-FC. II dated 22nd June, 1990]

LIST OF VARIOUS COMMITTEES CONSTITUTED BY THE GOVT. AND FCI

1. Dave Committee		Jan. 68
2. Juneja Committee		1973
3. Board of Directors Committee (Kaiwar Committee)	On transit and storage losses	1971-72
4. Bohl Committee	On losses of foodgrains in East Zone.	1978
5. Seshadri Committee/Em-powered Committee	Report of Stg. & Transit losses in FCI.	June 1983
6. Patankar Committee	For looking into the Scope for reducing costs of operations of FCI, particularly with reference to system of accounting.	June 1986
7. Lt. Genl. K. Balram Committee	Report on personnel Management policy of FCI	July 1986

- | | | |
|-------------------------|---------------------------------------------------------------------------------------|-----------|
| 8. Dr. Pandey Committee | Report on organisational set up, system and procedures and personnel policies of FCI. | Feb. 1986 |
| 9. Special Task Force | Task force in regard to streamlining vigilance machinery in FCI | Oct. 1987 |
| 10. NCAER & RITES* | Report on All India grain storage and movement Part I & II | Dec. 1987 |
| 11. NCAER* | Report on losses during handling transportation and storage. | May, 1987 |

Min. of Food & Civil Supplies (Deptt. of Food) O.M. No. 11-2/89-FC. II Dt. 10-4-1990 regarding appointment of a High Level Committee of Experts for comprehensive examination of the procedures followed in FCI for maintenance of quality of stocks.

The Committee on Public Undertakings (1988-89) in its 57th Report relating to despatch of sub-standard wheat by FCI had observed that there is utter disregard of procedures prescribed for periodical checking of foodgrains stored in the FCI's godowns resulting in deterioration in quality and the foodgrains are despatched to different stations without verifying their quality. Keeping in view the observations of the Committee on Public Undertakings, it has been decided to set up a High Level Committee of Experts consisting of the following:

- | | |
|------------------------------------------------------------------------------------------------------------------------|------------------|
| i) Dr. S.V. Pingale,
Ex-T.A.,
Food Corporation of India,
F-5, Dhanaraj,
1224, Apte Road,
PUNE - 411 004 | Chairman |
| ii) Shri S.K. Mazumdar,
Addl. Director (Pest Control),
C. F. T. R. I., Mysore. | Member |
| iii) Dr. G.K. Girish,
Joint Commissioner (S&R)
Department of Food. | Member |
| iv) Shri P.N. Mathur,
Ex-Manager (Q.C)
D-218, Shyam Park Extn.,
Sahibabad (U.P.) | Member Secretary |

2. The following are the terms of reference of the Committee:

- (i) Examination of existing procedures for maintenance of quality of stocks of foodgrains while in storage, including purchase specifications, acceptance procedures and super inspection.

*Sequel to Patankar Committee.

- (ii) Examination of specifications, grade standards;
- (iii) Examination of procedures for checks and supervision of quality of foodgrains at the time of despatch/issue;
- (iv) Examination of quality assessment of the foodgrains;
- (v) Examination of any other aspects as may be included by the Committee having reference to main objective including staffing pattern, administrative procedures;
- (vi) Giving suggestions/recommendations for effecting improvements.

3. The Committee will submit its report to the Secretary (Food) by the end of July, 1990.

4. All expenditure relating to the above Committee will be borne by FCI. FCI will also extend necessary assistance to the Committee.

Sd/-

(V. R. IYER)

Joint Secretary to the Govt. of India

Comments of the Committee

(Please see paragraph 24 of Chapter I of the Report)

NEW DELHI:

December 11, 1990

Agrahayana 20, 1912 (S)

BASUDEB ACHARIA

Chairman,

Committee on Public Undertakings

APPENDIX I

Minutes of the 14th sitting of the Committee on Public Undertakings held on 31-10-1990

The Committee sat from 11.00 hrs. to 12.00 hrs.

PRESENT

Shri Basudeb Acharia—*Chairman*

MEMBERS

2. Shri Bal Gopal Mishra
3. Shri Kalpnath Rai
4. Shri Rajdev Singh
5. Shri Daulat Ram Saran
6. Prof. Saif-ud-din Soz
7. Shri Piyus Tiraky
8. Shrimati Renuka Chowdhury
9. Shri Dipen Ghosh
10. Shri Ajit P. K. Jogi
11. Shri Mohinder Singh Lather
12. Prof. Chandresh P. Thakur

SECRETARIAT

1. Shri S. C. Gupta—*Joint Secretary*
2. Shri K. K. Sharma—*Director*
3. Smt. P. K. Sandhu—*Under Secretary*
4. Shri N. M. Jain—*Under Secretary*

The Committee considered and adopted the following draft Reports, as approved by the Action Taken Sub-Committee.

(i) ** ** ** **

- (ii) Report on Action Taken by Government on the recommendations contained in the 57th Report of C.P.U. (1988-89) on Food Corporation of India—Despatches of sub-standard wheat.

2. The Committee also authorised the Chairman to finalise the Reports on the basis of factual verification by the concerned Ministries/Undertakings and Audit and to present the same to Parliament.

3. ** ** ** **

The Committee then adjourned.

APPENDIX II

(Vide Paragraph 3 of the Introduction)

Analysis of Action Taken by Government on the recommendations contained in the 57th Report of the Committee on Public Undertakings (Eighth Lok Sabha) on Food Corporation of India-Despatches of sub-standard wheat.

I.	Total number of recommendations	8
II.	Recommendations that have been accepted by the Government (Vide recommendations at Sl. Nos. 3 and 6).	2
	Percentage to total	25%
III.	Recommendations which the Committee do not desire to pursue in view of Government's reply.	NIL
	Percentage to total	NIL
IV.	Recommendations in respect of which replies of Government have not been accepted by the Committee (Vide recommendations at Sl. Nos. 1, 2, 4 and 7)	4
	Percentage to total	50%
V.	Recommendations in respect of which final replies of Government are still awaited (Vide recommendations at Sl. Nos. 5 and 8)	2
	Percentage to total	25%

C. P. U. NO. 676

Price : Rs. 15.00

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**PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT
OF BUSINESS IN LOK SABHA (SIXTH EDITION) AND PRINTED BY THE
MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD,
NEW DELHI-110002.**