

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:1907
ANSWERED ON:09.03.2001
CENTRAL WAREHOUSE CORPORATION
T.M. SELVAGANAPATHI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether for the last several year the profit of the Central Warehousing Corporation has been on the decline;
- (b) if so, the reasons therefor;
- (c) the steps taken by the Central Warehousing Corporation to arrest the decline in profit;
- (d) whether the Central Warehousing Corporation is planning to hand-over some of his warehouses to private operators; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

- (a) The profit earned by the Central Warehousing Corporation (CWC) in the last five years is as under:-

Year	Profit (Rs. in crores)
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1995-96	60.98
1996-97	84.95
1997-98	67.73
1998-99	41.50
1999-2000	48.30

The decline in the profit was only in two years, i.e., 1997-98 and 1998-99.

- (b) The main reasons for decline in the profit of the Corporation were as under:-

- (i) Severe competition for Custom Bonded and ICD/CFS business due to economic liberalisation resulting in drop in the income of the Corporation.
- (ii) Increase in establishment cost as a result of pay revisions.

- (c) The following steps are being taken by the Corporation to arrest the decline in its profit:-

- (i) Efforts are being made to increase the capacity and also its average utilisation. The percentage of utilisation during the year 2000-2001 is expected to be 81% as against 77% in the year 1999-2000.
- (ii) Efforts are being made by the Corporation to diversify into different areas like cold chain, liquid storage, etc., and to set up new CFSs/ICDs, etc.
- (iii) With a view to control the establishment cost, no fresh recruitment is being made by the Corporation. Further, the Corporation has proposed to introduce Voluntary Retirement Scheme (VRS) in order to reduce the establishment cost. The VRS is under consideration of the Government.

- (d) No, Sir.

- (e) Does not arise.