

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

UNSTARRED QUESTION NO:921

ANSWERED ON:28.07.2000

LOSSES IN CWC AND FCI

MANSINH PATEL;RAGHUNATH JHA;RAMSHETH THAKUR;RENU KUMARI SINGH;SHEESH RAM SINGH RAVI;THAAWAR
CHAND GEHLOT

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

- (a) whether the Central Warehousing Corporation (CWC) and Food Corporation of India (FCI) are incurring losses for the last two years;
- (b) if so, the details thereof and the reasons therefore, separately;
- (c) whether the responsibility has been fixed for causing the losses in FCI/CWC;
- (d) if so, the details thereof;
- (e) the number of foreign trips undertaken by the Managing Directors and other officials of FCI and CWC during the said period;
- (f) the purpose for undertaking the foreign trips alongwith the expenditure incurred on their foreign tours, separately;
- (g) the extent to which FCI/CWC benefited after undertaking the said foreign visits;
- (h) the number of posts of Chairman, Managing Director are lying vacant in CWC;
- (i) the reasons therefore and the time by which these are likely to be filled; and
- (j) the steps being taken by the Government to cut the expenditure in the FCI/CWC and to plug the losses?

Answer

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

(a) No, Sir.

(b),(c) & (d): Does not arise.

(e) & (f): The details of foreign trips undertaken by officers of the FCI and the CWC and the expenditure incurred are as under:-

Year FCI CWC

	No. of foreign trips	Expenditure incurred (Rs in lakh)	No. of foreign trips	Expenditure incurred (Rs. in lakh)
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1998-99	5	4.67	27	29.26
1999-2000	6	5.34	14	13.44

These foreign trips were mainly undertaken for attending training programmes, workshops, international seminars, symposia and participation in international exhibitions abroad.

(g) After attending these seminars, meetings, workshops, etc., the officers improve their professional skill and in turn the Corporation is also benefited. The CWC is a commercial organisation and exposure to its officers is necessary for betterment and growth of the Corporation. Exhibitions participated by the CWC were purely for publicity and propaganda of the activities of the Corporation to attract foreign warehouse operators/agencies to set up joint ventures in the country/abroad.

(h) & (i): There is only one vacant post of Chairman in the CWC which occurred on demitting the office by the earlier incumbent. A proposal to fill up the post has been sent to the Department of Personnel & Training on June 29, 2000 for obtaining the approval of the Appointments Committee of the Cabinet and the same is expected shortly.

(j) The following steps have been taken by the FCI to cut its expenditure:-

(i) In order to reduce subsidy, the Government of India has resorted to the openmarket sale to reduce the bulging foodgrains stock to avoid carrying cost of buffer.

(ii) The issue price has been brought to the level of economic cost for the issues made to the population above the poverty line.

(iii) The Government has appointed the Administrative Staff College of India (ASCI) to suggest ways and means of reducing the cost of the Corporation. The ASCI is expected to submit its report shortly.

(iv) The Government has also advised the Expenditure Reforms Commission to look into the cost structure of the grain to FCI. Based on the Commission's recommendation, the Government of India has recently reduced the issue price of wheat and rice.

The following steps have been taken by the CWC to reduce its expenditure:-

(i) Curtailing the expenditure to the extent possible.

(ii) Cut on repair and maintenance expenses.

(iii) Restrictions on foreign visits.

(iv) Introduction of Voluntary Retirement Scheme.

(v) No fresh recruitment.