

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

STARRED QUESTION NO:69
ANSWERED ON:06.12.2004
FOODGRAIN EXPORT SCAM
Jha Shri Raghunath;Owaisi Shri Asaduddin

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

- (a) whether the Food Corporation of India (FCI) sold foodgrains from central pool to selected exporters at highly subsidised rates during 2003-04 ignoring the domestic market;
- (b) if so, the quantum of foodgrains sold in domestic market under open sale scheme and for exports during the last five years indicating the name of the exporters;
- (c) whether about Rs. 20,000 crore of food subsidy was lost as a result thereof;
- (d) if so, whether the order prohibiting export in August, 2003 has been withdrawn;
- (e) if so, the details thereof and reasons therefor;
- (f) whether such foodgrains were diverted to domestic market at a higher price;
- (g) if so, the details thereof alongwith the name of such unscrupulous exporters;
- (h) whether the Government has ordered any enquiry in this whole episode; and
- (i) if so, the details thereof alongwith the name of the agency?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d), (e), (f), (g), (h) & (i): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (i) OF THE STARRED QUESTION NO. 69 DUE FOR ANSWER ON 06-12-2004 IN THE LOK SABHA

(a) In view of stocks of wheat and rice, much more than the required buffer stock, the Food Corporation of India (FCI) sold foodgrains under its Sale for Export Scheme from the Central Pool, since 2000-01 (including the year 2003-04), to all exporters who approached the FCI and fulfilled the conditions of the scheme. At the same time, the domestic requirements of wheat and rice were fully met during this period.

(b) The quantity of foodgrains sold in the domestic market under open sale scheme & for exports during the last five years and the list of exporters are at Annexures - I & II.

(c) The subsidy towards export of 334 lakh tonnes during the period 2000-01 to 2003-04 is Rs. 16,611.20 crores.

(d & e) No, Sir. The order dated 11th August, 2003 stopping fresh allocation for exports has not been withdrawn.

(f & g) Certain instances of irregularities have come to light and action has been taken in each of these cases as may be seen at Annexure-III.

(h & i) The Central Vigilance Commission has been requested to conduct an inquiry into the allegations of irregularities in the export of foodgrains from the Central Pool.

ANNEXURE - I

STATEMENT REFERRED TO IN REPLY TO PART (b) OF THE STARRED QUESTION NO. 69 DUE FOR ANSWER ON 06.12.2004 IN THE LOK SABHA.

OPEN SALES SCHEME VIS-À-VIS EXPORTS (IN LAKH TONNES)

OPEN SALE EXPORTS

YEAR	RICE	WHEAT	TOTAL	RICE	WHEAT	TOTAL
1999-2000	-	32.62	32.62	-	-	-
2000-01	3.86	8.86	12.72	0.42	20.43	20.85
2001-02	4.01	51.94	55.95	23.50	39.65	63.15
2002-03	3.87	50.82	54.69	80.71	67.93	148.64
2003-04	4.05	09.23	13.28	30.71	70.69	101.40
TOTAL	15.79	153.47	169.26	135.34	198.70	334.04

ANNEXURE - II

REFERRED TO IN REPLY TO PART (b) OF THE STARRED QUESTION NO. 69 DUE FOR ANSWER ON 06.12.2004 IN THE LOK SABHA.

LIST OF EXPORTERS

NAME OF EXPORTERS ADDRESS

AAR DEE INTERNATIONAL SILIGURI
 AGGARWAL FOOD PRODUCTS DELHI
 ALLANASONS LTD. NEW DELHI
 ALGAR EXPORTS TUTICORIN
 ANNAPURNA EXPORTS SONIPAT
 ANDAGRO SERVICES LTD. MUMBAI
 AGROTECH FOODS LTD. SECUNDRABAD
 AJANTA SOYA LTD. BHIWADI
 ALGYAS EXPORT PVT. LTD. A-17, NAEHOALLY ROAD, DOONEFRI, MUMBAI.
 AMIR CHAND JAGDISH KUMAR 12/14, LIBASPUR ROAD, SAMLYPUR, DELHI.
 AMIRA FOODS LTD. MEHRAULI, DELHI.
 AMIVARSHA EXPORTS INDIA MUMBAI
 AMRIT INTERNATIONAL NEW DELHI
 AMRIT INTERNATIONAL LTD. NEHRU PLACE, NEW DELHI.
 AMRIT INTERNATIONAL RICE CO. NEW DELHI.
 ANAND PARKASH ANKIT KUMAR DELHI
 ANCHOR IMPEX INC. NEW DELHI
 A.R. IMPEX SURAT
 ANJANI ENTERPRISE KOLKATA
 ATLANTIC SPINNING & WEAVING MILLS LTD. CHENNAI
 AVANI INTERNATIONAL MUMBAI
 B. NATHAT SINGH KARAM SINGH PVT. LTD. 4124, FIRST FLOOR, NAYA BAZAR, DELHI.
 BAGADIYA BROTHERS RAIPUR
 BANSAL OVERSEAS KARNAL
 BASIC INDIA LTD. PITAMPURA, DELHI.
 BEST FOOD INTERNATIONAL PO BOX NO. 5, INDRI, KARNAL
 BHAGWATI RICE MILLS FEROZEPUR CANTT.
 BHANDARI RICE MILLS OVERSEAS 2244, GALI RAGUANANDAN, NAYA BAZAR, DELHI.
 BHS OVERSEAS SAHARANPUR
 BISHAN SARUP RAM KISHAN AGRO PVT. LTD. 5584, FIRST FLOOR, NAYA BAZAR, DELHI.
 CARGILL INDIA LTD. GURGAON
 COMMODITIES INTER TRADE 14, RAJENDRA PRASAD ROAD, NEW DELHI.
 DAULATRAM RAMESH KUMAR TARAN TTARAN
 DD INTERNATIONAL LTD. 26, THE MALL, AMRITSAR
 DEVA SINGH SHAM SINGH CHATWIND GATE, AMRITSAR
 DEEPIKA ENTERPRISES MALDA
 DHINGRA EXPORT PVT. LTD. -
 DOLPHIN INTERNATIONAL LTD. GULMOHAR PARK EXTN, NEW DELHI.
 DOON VALLEY INTERNATIONAL KARNAL
 EMMSONS INTERNATIONAL LTD. 12, ZAMRUDPUR, KAILASH COLONY, N. DELHI.

EXIM RAJATHI CHENNAI
 EXPOTECH INTERNATIONAL LTD. B-15, SECTOR-3, NOIDA
 FEROZEPUR FOODS PVT. LTD. FEROZEPUR
 FOODS FAT & FERTILIZER LTD. CHENNAI
 GANGA TRADERS SONEPAT
 GAZEBO INDUSTRIES MUMBAI
 G.N. OVERSEAS 36/55, WEST PUNJABI BAGH, NEW DELHI.
 GENERAL EXPORT ENTERPRISE MUMBAI
 GENERAL MILLS INDIA PVT. LTD. MUMBAI
 GLOBE INTERNATIONAL 5, COURT LANE, CIVIL LINES, DELHI.
 G.M. OVERSEAS RICE MILLERS LAHORI GATE, DELHI.
 GNG EXPORTS KOLKATA
 GRM OVERSEAS LTD. GOHANA ROAD, PANIPAT.
 GV (GOD VISHNU) RICE UNIT G.T. ROAD, TARARI, DISTT.-KARNAL, HARYANA.
 HALDIRAM EXPORTS PVT. LTD. MATHURA ROAD, NEW DELHI.
 HARYANA ROOLER FLOUR MILLS JIND
 HARI SHALLAC INDUSTRIES GONDIA, MAHARASHTRA
 HEMANT INTERNATIONAL KURUKSHETRA
 HINDUSTAN LEVER LTD. 165-166, BACK BAY, RECLAMATION, MUMBAI.
 H.M. OVERSEAS CHILKANA ROAD, SAHARANPUR
 INDIAN RESINS & POLYMERS KOLLAM, KERALA.
 IOCEE EXPORTS LTD. MOUNT ROAD, CHENNAI
 ITC LTD. INTERNATIONAL 31, SAROJINI DEVI ROAD, SECUNDRABAD
 INDIA TRADING CO. DELHI.
 JAGODIA EXPORTS GANGARAMPUR
 JAI BAMLESHWARI RICE SORTEX, DHANPAT PLASTIC GONDIA, MAHARASHTRA
 JATIN & CO. MUTUNGA, MUMBAI
 JB OVERSEAS LTD. 20, MIG FLAT, PITAMPURA, DELHI
 JINDAL NIRYAT LTD (RICE MILLERS & EXPORTERS) SANJAY NAGAR, POCKET-III, SECTOR-II, ROHINI
 KAPOOR BROTHERS ROLLER FLOUR MILLS PANCHKULA
 K.C. INDUSTRIES JALALABAD WEST
 KANSAL OVERSEAS 38-39, POCKET-D 11, SECTOR-7, ROHINI
 KANTILAL & CO. 11/12, JANAM BHUMI MARG, MUMBAI
 KARAM INDUSTRIES F.B. ROAD, SULTANPUR, MEHRAULI, NEW DELHI
 KISSAN INTERNATIONAL 3, GALLA MANDI, RUDRAPUR
 KLA RICE INDIA PUBLIC LTD. RUDRAPUR
 K.N. RESOURCES LTD. SUBHASH ROAD, RAIPUR
 KOHINOOR INTERNATIONAL JALANDHAR
 KRBL LTD. 5190, LAHORI GATE, DELHI
 KRISHNA & CO TUTICORIN
 KRISHNA TRADERS KOLKATA
 KUNDAN RICE MILLS DELHI
 LEKHRAJ NARINDER KUMAR KAITHAL
 LIBERTY OIL MILLS LTD. COLABA, MUMBAI
 LMJ INTERPRISES KOLKATA
 LMJ OVERSEAS NEW DELHI
 L.T. INTERNATIONAL NEW DELHI
 L.T. OVERSEAS 21, GREEN PARK, AUROBINDO MARG, DELHI
 LUCKY EXPORT DELHI
 MAHALAXMI RICE MILLS TARAORI
 MAHENDRA RICE INDUSTRY NALGONDA, SETTIPALEN-5082117
 MAHESH AGRO PVT. LTD. LAHORI GATE, DELHI
 MAHAVIR RICE MILLS TARAORI
 MAM CHAND ROLLER FLOUR MILLS PVT. LTD. YAMUNANAGAR
 NAMDHARI RICE & GENERAL MILLS -
 NAMDHARI FOOD INDUSTRIES SIRSA
 MAYA INTERNATIONAL 14, DR. RAJINDRA PRASAD ROAD, NEW DELHI.
 NAFED NEW DELHI.
 NAVHARAT EXPORT 5192, NAYA BAZAR, NEW DELHI
 NEW BHARAT RICE MILLS FAIZPURA BATALA, DISTT. GURDASPUR
 OLAM EXPORTS INDIA LTD. 8, KSFC BUILDING, INTL ESTATE, MADHIKHERI
 OLAM EXPORTS INDIA LTD. BANGALORE
 OVERSEAS CARPET LTD NEW DELHI
 P.R. SURANA & SONS NAYA BAZAR, DELHI
 PADAM SHREE INTERNATIONAL 2744, F/F, NAYA BAZAR, DELHI
 PARAM HANS INTERNATIONAL KARNAL
 PARWAZ OVERSEAS (P) LTD. NAYA BAZAR, DELHI
 PAWAN JAIN & SONS GTK ROAD, DELHI
 PEPSI FOOD PVT. LTD. GURGAON
 PEPSI ENTERPRISES KOLKATA
 PEPSI INDIA HOLDING GURGAON
 PICRIC LTD KM GT KARNAL ROAD, VILL LARSANLI (SONEPAT)
 PIYUSH IMPEX PVT. LTD. NEW DELHI
 PK OVERSEAS PVT. LTD KAROL BAGH, NEW DELHI
 POONA DAL & BESAN MILLS HADAPSAR, PUNE
 PRIYANKA OVERSEAS LTD. D-1, 8, CONNAUGHT PLACE, NEW DELHI
 PRODUCIN PVT. LTD. MUMBAI
 PUNJAB BASMATI RICE LTD. SANGRANA SAHIB, AMRITSAR
 R.K. OVERSEAS RICE MILLERS T.T. ROAD SURANUSSI (JALANDHAR)
 RAGGA INTERNATIONAL BAZAR GANDAWALA, AMRITSAR
 RAGHUNATH AGRO INDUSTRIES BHIKHIWIND, AMRITSAR
 RAJ EXPORTERS 16, PEREIRA STREET, TUTICORIN
 RAISONI EXPORTS PUNE
 RASHMI EXPORTS NABHA
 RAVI KAMAL ROLLER FLOUR MILLS PVT LTD. MUMBAI

RICE INDIA EXPORTERS (P) LTD. 5587, LAHORI GATE, NEW DELHI
 R.K. EXPORTS BHOPAL
 R.K. OVERSEAS BHOPAL
 R.P. BASMATI & CO KARNAL
 RT EXPORTS LTD. MUMBAI
 SAIN EXIM PVT. LTD -
 SAINATH INTERNAIONAL SATNA, MP
 SAMARAT RICE MILLS KHAIRANA
 SATNAM OVERSEAS LTD 2, COMMUNITY COMPLEX, MASJID MARG, G. KAILASH
 SATYAM INDUSTRIES JAWAHAR NAGAR, RAIPUR
 SETH BROTHERS AMBALA
 S.D. HEAVY IRON WORKS MALDA
 SHAHJI NANJI EXPORT ITWARI, NAGPUR
 SHAHJI NANJI NAGSI EXPORT PVT. LTD. ANAJ BAZAR ITWARI NAGPUR
 SHANKAR RAO GANPATHIRAO PATIL & CO, RICE HOUSE ITWARI, NAGPUR
 SHARP MENTHAL INDIA LTD. G.15, SMA C, 1 ESTATE, GT KARNAL ROAD, DELHI
 SHAKTI INTERNATIONAL NEW DELHI
 SHIVNATH RAI HARNARAIN B-16, BHAGWAN DASS NAGAR, NEW DELHI
 SHIV SHAKTI RICE MILLS TARDARI, KARNAL
 SHIV VISHNU PVT. LTD GONDIA, MAHARASHTRA
 SHRI VISHNU EATABLES INDIA LTD. KAITHAL
 SIDDHARTHA FERTICHEM NEW DELHI
 SINGHAL MERCHANDISE (INDIA) SUBHASH ROAD, VILE PARLE, MUMBAI
 SOUBHIK EXPORTS KOLKATA
 S.S. EXPORTS KOLKATA
 SUN STAR OVERSEAS LTD. 4119/7, F/F, NAYA BAZAR, DELHI.
 SURAJ IMPEX KAROL BAGH, NEW DELHI.
 SWAMI ENTERPRISES WEST COTTON ROAD, TUTICORIN
 T.M. INTERNATIONAL KAPURTHALA
 TRUST EXPORTS ENTERPRISES MUMBAI
 ATNNA AGRO IMPEX PVT. LTD. MUMBAI
 V.C. ENTERPRISES DELHI
 TERAJ EXPORTS 133, ALIUMER, MUMBAI
 V.K. UDYOG LTD. KOLKATA
 VARDHMAN EXPORTS -
 VEER OVERSEAS LTD. GHARAUNDA, KARNAL
 VIKAS SORTEX KUDWA LANE, GONDIA
 VISHAL EXPORTS OVERSEAS LTD. AHMEDABAD
 UNITED EXPORTS DELHI
 BANSI BADAN SHAM DIPITI BAGH, SRIPALI BARDWAN, WEST BENGAL
 ANANTHAMMAL KASI RICE MILL KOVILPATTI
 PEC LTD. NEW DELHI
 NAFED RAIPUR
 WEST BENGAL ESSENTIAL COMMODITY KOLKATA
 STC KOLKATA
 PUNJAB STATE WAREHOUSING CORPORATION CHANDIGARH
 HAFED PANCHKULA
 MMTC NEW DELHI
 MARKFED CHANDIGARH
 PUNJAB AGRO (PAIC) CHANDIGARH
 SPICES TRADING CORPORATION BANGALORE
 A.P. STATE TRADING CORP. LTD. HYDERABAD
 NCCF NEW DELHI.

ANNEXURE-III

REFERRED TO IN REPLY TO PART (f)&(g) OF THE STARRED QUESTION NO. 69 DUE FOR ANSWER ON 06.12.2004 IN THE LOK SABHA.

ACTION TAKEN AGAINST IRREGULARITIES IN EXPORT

Penal Action has been taken against established irregularities in respect of the following:

I NCCF lifted 2000 MT rice Ex. Ludhiana (Punjab) through their associate exporter and did not complete the obligation of export commitments. Subsequently, the differential amount with taxes has been recovered. The stocks were issued on Indemnity Bond being PSU, therefore, in this case, Bank Guarantee was not required to be encashed.

Bank Guarantee of Bhagwani Exports and Bank Guarantee of Pioneer Foods was encashed due to non-submission of export documents for wheat.

II From Haryana Region NCCF took allocation for 6500 MT rice and M/s. Hemant International for 2000 MT. In both these cases differential cost has been recovered by encashing Bank Guarantees and DDs.

Apart from encashment of Bank Guarantees, cases have also been filed against exporters, who had manipulated/submitted fake documents, as under:

(i) M/s. R.K. Exports, Bhopal submitted manipulated export documents and fraudulent Bank Guarantees.

CBI, Bhopal has registered a case against the bank officials and the party.

(ii) M/s. A.K. Flour Mills Pvt. Ltd., Ankleswar, Gujarat, had lifted 2320 MTs of wheat for export purposes, but the party exported wheat flour instead of whole wheat and submitted forged documents for export of wheat. Thereupon, the Bank Guarantee was encashed. FIR has been filed against the party. Differential cost between OMSS(D) and export price has been realized from the party. A money suit has also been filed for recovery of interest and differential cost. The matter is pending in the Court.

(iii) In the case of NCCF default, a Police case is pending in the Court at Faridabad and in the case of M/s. Hemant International, FIR has also been lodged by District Manager, FCI, Kurukshetra.