

FIFTH REPORT
STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION
(1994-95)

(TENTH LOK SABHA)

MINISTRY OF FOOD
DEMANDS FOR GRANTS (1994-95)



Presented to Lok Sabha on **26 APR 1995**
Laid in Rajya Sabha on **26 APR 1995**

LOK SABHA SECRETARIAT
NEW DELHI
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COMPOSITION OF THE STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES & PUBLIC DISTRIBUTION
(1994-95)

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Prof. Ram Kapse

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4. Shri N.J. Rathva
- *5. Shri Ram Prakash Chaudhary
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28. Shri Chhote Singh Yadav
29. Shri Birsingh Mahato

*Ceased to be Member of Lok Sabha consequent upon his death on 19.4.94.

(iv)

Rajya Sabha

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32. Shri B.V. Abdulla Koya
33. Shri Sudhir Ranjan Majumdar
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38. Shri Jagannath Singh
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40. Shri Ramendra Kumar Yadav Ravi

SECRETARIAT

1. Shri G.L. Batra — *Additional Secretary*
2. Shri S.C. Gupta — *Joint Secretary*
3. Shri Satish Loomba — *Deputy Secretary*
4. Shri K.L. Anand — *Under Secretary*

INTRODUCTION

1. Shyam Bihari Misra, member of the Standing Committee on Food, Civil Supplies & Public Distribution (1994-95) having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report on Demands for Grants (1994-95) relating to the Ministry of Food.

2. The Committee (1994-95) considered the Demands for Grants pertaining to the Ministry of Food for the current year *i.e.* 1994-95 which were laid on the Table of the House on 15 March, 1994 whereafter the Committee took evidence of the representatives of the Ministry of Food on 4 April, 1994.

3. The Committee wish to express their thanks to the officers of the Ministry of Food for placing before them the detailed written notes on the subject and for furnishing the information the Committee desired in connection with the examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 19 April, 94.

5. The Committee would like to express their thanks to the Committee (1993-94) for taking evidence on the subject and obtaining valuable information thereon. The composition of the Committee (1993-94), is given at Annexure.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
19 April, 1994
29 Chaitra, 1916 (Saka)

SHYAM BIHARI MISRA,
Member,
Standing Committee on
Food, Civil Supplies & Public Distribution.

REPORT

CHAPTER I

INTRODUCTORY

The Demands for Grants of Ministry of Food were laid on the table of Lok Sabha on 15th March, 1994. Demand No. 38 of the Ministry contains the figures of Revenue as well as Capital Expenditure which is as follows:

(Rs. in crores)

	Revenue	Capital	Total
Voted	4235.01	166.97	4401.93
Charged	.05	—	.05

1.2 The details of actual revenue and capital expenditure for the year 1992-93, the budget estimates and revised estimates for 1993-94 and budget estimates for 1994-95 of the Ministry are as under:-

Revenue Section

(Rs. in Crores)

Sl. No	Major Head	Items	Plan/ Non-Plan	1992-93 Actuals	1993-94		1994-95	Total
					B.E	R.E	B.E	
1.	3451	Secretariat	Plan	...	...	...	0.27	...
		Eco. Services	Non-Plan	4.11	4.71	4.79	4.98	5.25
2.	2236	*Nutrition	Plan	0.79	1.79	...	...	...
			Non-Plan	2.16	2.50	...	...	...
3.	2408	Food Storage & Warehouse	Plan	2.67	2.15	2.35	1.76	...
			Non-Plan	2931.59	3236.02	5467.53	4228.05	4229.81
*4.	3601	Grants-in-aid to State Governments	Plan	0.09	0.96	...	...	...
			Non-Plan	.96	...	...	...	...
*5.	3602	Grants-in-aid to States and Union Territories	Plan	...	0.02	...	...	...
			Non-Plan	...	...	...	...	...
*6.	3606	*Aid materials and Equipment	Plan	...	.02	...	...	...
			Non-Plan	...	0.61	...	...	...
Total			Plan	3.55	4.92	2.35	2.03	...
			Non-Plan	2937.86	3243.84	5472.32	4233.3	4235.06

*Transferred to Department of Women & Child Development with effect from 1.4.1993. Hence estimates have been transferred in RE 1993-94 to Department of Women & Child Development.

Capital Section*(Rs. in Crores)*

Sl. No	Major Head	Items	Plan/ Non-Plan	1992-93 Actuals	1993-94		1994-95 B.E
					B.E	R.E	
1.	4408	Capital outlay plans and Food storage and Warehousing	Plan Non-Plan	28.04	22.73	22.53	26.97
2.	6860	Loans for Consumer Industries	Plan Non-Plan	.... 109.85	... 110.00	... 117.60	... 140.00
3.	7601	Loans and Advances to State Govt. (Charged)	Plan Non-Plan	0.2	1.85	0.4	
Total			Plan Non-Plan	28.24 109.85	24.58 110.00	22.93 117.60	26.97 140.00
				138.09	134.58	140.53	166.97

1.3 The details of recoveries adjusted in accounts in reduction of expenditure for revenue and capital section are as under:

(Rs. in thousands)

Actuals 1992-93		Budget Estimate 1993-94		Revised Estimate 1993-94		Budget Estimate 1994-95		Total
Plan	N.Plan	Plan	N.Plan	Plan	N.Plan	Plan	N.Plan	
Revenue Section								
-	5,48,24	-	91,61,00	-	60,60,00	-	35,25,00	35,25,00
Capital Section								
-	109,85,48	-	110,00,00	-	120,40,00	-	144,75,00	144,75,00
TOTAL	115,33,72	-	181,61,00	-	181,00,00	-	180,00,00	180,00,00

1.4 As against the actuals of Rs. 3079.51 (31.79 for Plan & 3047.71 for Non-Plan) crores during 1992-93, the BE for the year 1993-94 were 3383.34 (comprising of 29.50 crores for Plan and Rs. 3353.84 Non-Plan) crores. This was due to increased outlay on food subsidy, making provision for setting up of National Institute of Sugarcane and Sugar Technology and subsidy for maintenance of buffer stocks of sugar etc. The estimates for 1993-94 were subsequently revised to Rs. 5615.20 crores consisting of Rs. 25.28 for Plan and Rs. 5589.92 crores for Non-Plan, excluding additional provision of Rs. 500 crores towards Food Subsidy. This was due to stupendous rise in food subsidy provision, increased allocation for administration of Sugar Development Fund, increased outlay on National

Institute of Sugarcane & Sugar Technology and Inter account transfer to Sugar Development Fund etc. The BE for the year 1994-95 have been reduced to Rs. 4402.03 crores due to reduced provision for food subsidy, transfer of Major Head 2236 (Nutrition from Ministry of Food to Deptt. of Women & Child Development) *w.e.f.* 1.4.1993.

1.5 The Head-wise demands have been discussed in succeeding paragraphs.

Revenue Section

Major Head '3451'

A. S cretariat & Economic Services (Excluding Departmental Canteen)

1.6 The BE for the year 1993-94 was Rs. 4.63 crores which was subsequently increased to Rs. 4.71 crores. In the BE for the year 1994-95, a provision of Rs. 5.16 crores has been made. From the item-wise details it is noticed that out of Rs. 5.16 crores, Rs. 3.33 crores will be on salaries, 1.03 crores on office expenses and rest is on other items such as wages, OTA, travel expenses etc.

1.7 When asked what are the reasons for high expenditure on office expenses as compared to other charges, the Ministry in a note submitted that office expenses in respect of Ministry of Food cater to various needs to maintenance and consumables which include, *inter-alia* expenditure on telephones, vehicles, stationery, furniture and fixtures, equipments, etc. Due to increase in the cost of items procured and higher cost of maintenance, fuel, stationery items, telephones etc., expenditure under office expenses has increased.

1.8 Asked what steps the Ministry propose to take to curtail the expenditure under this head, the Ministry in a written reply stated that the non-plan expenditure of Ministry including office expenses are being monitored regularly and closely for attaining maximum economy. It is proposed to attain utmost economy in various other expenses while maintaining efficiency and keeping the commitments of modernisation of office equipment/information system. These include increasing the fuel efficiency of cars, purchase of furniture from Kendriya Bhandars restricting the number of direct lines and monitoring supervision of expenses on consumables and the like.

1.9 The Committee find that the non-plan expenditure on Secretariat Economic Services has been rising continuously. An amount of Rs. 3.45 crores and Rs. 3.68 crores were spent on this account in the years 1990-91 and 1991-92. It rose to Rs. 4.11 crores in 1992-93. The BE for 1993-94 stood at Rs. 4.71 which was subsequently revised to Rs. 4.79 crores. The BE for 1994-95 is Rs. 4.98 crores. The Ministry have assured that they are taking steps to control Non-Plan expenditure. The Committee recommend that Government should monitor regularly and closely the non-plan expenditure for achieving maximum economy.

CHAPTER II

FOOD SUBSIDY

Major Head-2048

Sub-Head C1 (4) Food Subsidies:

Cl(4) (1) (1) - Subsidy payable to Food Corporation of India on Foodgrains Transaction

2.1 Food subsidy is paid to Food Corporation of India for reimbursement of (i) the difference between the economic cost of foodgrains and their issue prices (ii) carrying cost of buffer stock. The economic cost comprises procurement prices and procurement incidentals for indigenously procured foodgrains as well as distribution incidentals comprising movement, storage, handling, interest charges etc.

The details of food subsidy paid since 1988-89 is as under:

Year	Amount in crores
1988-89	2200 (Actuals)
1989-90	2476 (Actuals)
1990-91	2450 (Actuals)
1991-92	2850 (Actuals)
1992-93	2800 (Actuals)
1993-94	3000 (B.E.)
	5700 (R.E.)
1994-95	4000 (B.E.)

2.2 The Committee were informed that the increase in food subsidy during the current year is mainly due to (a) increase in procurement prices of foodgrains (b) late and partial revision of prices (c) increase in interest charges (d) increase in freight cost and arrears in subsidy for previous years.

Impact of Delay in CIP on Subsidy

2.3 The revised Support Minimum Price (SMP), Central Issue Price (CIP) and time lag between them for wheat and rice is as under:

WHEAT

Marketing Season	Date of increase of procurement price	Increased M.S.P. (in Rs.)	Date of increase in issue price	Increased C.I.P. (In Rs.)	Approx. Time Lag (Months)
Rabi 1990-91	1.4.1990	215	1.5.1990	234	1
Rabi 1991-92	1.4.1991	225	28.12.1991	280	9
Rabi 1992-93	1.4.1992	250(+)	11.1.1993	330	9
Rabi 1993-94	1.4.1993	25(Bonus) 305(+)	1.2.1994	402	10
Rabi 1994-95	1.4.1994	350		Not yet increased	-

RICE

Kharif 1989-90	1.10.1989	C-185	25.6.1990	C-289	8
		F-195		F-349	
		S-205		S-370	
Kharif 1990-91	1.10.1990	C-205	28.12.1991	C-377	15
		F-215		F-437	
		S-225		S-458	
Kharif 1991-92	1.10.1991	C-230	11.1.1993	C-437	3
		F-240		F-497	
		S-250		S-518	
Kharif 1992-93	1.10.1992	C-270	1.2.1994	C-537	4
		F-280		F-617	
		S-290		S-648	
Kharif 1993-94	1.10.1993	C-310			
		F-330			
		S-350			
Kharif 1994-95	Not Yet announced			Not yet increased	

Abbreviations: C-Common
F-Fine
S-Superfine

The operating cost of FCI and Subsidy paid for Wheat and Rice is as follows:—

(A) WHEAT

	1992-93		1993-94		1994-95	
	Rs/Qtl.	Value (crores)	Rs/Qtl.	Value (crores)	Rs/Qtl.	Value (crores)
Pooled Cost						
of Grain	295.51	2378.45	355.31	2757.00	348.32	3488
Procur. Incidentals	88.57	713.16	92.52	718.00	98.33	983
Acquisition Cost	384.08	3092.61	447.83	3475.00	446.65	4400
Distribution Cost	120.02	966.43	111.57	866.00	125.06	1251
Economic Cost	504.10	4058.04	559.40	4341.00	571.71	5717
Sales Realisation	279.36	2249.43	344.97	2677.00	421.71	4217
Subsidy	224.74	1809.61	214.43	1664.00	150.00	1500

(B) RICE

Cost of Grain	433.72	4292.96	539.43	5124.00	541.10	5411
Procur. Incidentals	31.53	312.08	36.47	347.00	35.75	357
Acquisition Cost	465.25	4605.08	575.90	5471.00	576.85	5768
Distribution Cost	120.02	1187.99	111.57	1060.00	125.06	1252
Economic Cost	585.27	5793.07	687.47	6531.00	701.91	7020
Sales Realisation	442.40	4387.91	499.26	4743.00	597.01	5970
Subsidy	142.87	1414.16	188.21	1733.00	104.90	1050

The Carrying Cost of Buffer Stock is as under:—

(Quantity in lakh tonnes)

	1992-93			1993-94 (RE)			1994-95 (BE)		
	Qty.	Rate	Value	Qty.	Rate	Value	Qty.	Rate	Value
Wheat	-	-	-	48.16	99.13	477.42	81.37	109.58	891.65
Rice	103.65	450.58	-	67.34	99.13	667.54	73.58	109.58	806.29

2.4 When asked why issue prices were not raised simultaneously with SMP so as to contain subsidy bill, the Ministry in a note furnished to the Committee stated:—

“The Minimum Support Price (Procurement Price) of foodgrains are fixed by the Ministry of Agriculture on the recommendations of the Commission of Agricultural Costs & Prices (CACP) and with the approval of the Cabinet Committee on Economic Affairs (CCEA). These are generally announced at the time of sowing of agricultural crop so as to enable the farmers to make necessary production plan. The Central Issue Prices (CIPs) are fixed by the Ministry of Food taking into account the procurement prices, the statutory and interest charges with the approval of CCEA and should normally take effect from the commencement of marketing year. Although the need for announcing the revision of the MSP and CIP at simultaneously as far as

possible or MSP at the time of sowing and CIP at the commencement of marketing year is recognised by the Government, this is not always possible on account of pre-occupation of the CCEA.

2.5 The subsidy on account of delay in raising the Central Issue Prices for 1992-93 and 1993-94 is roughly as under:—

(Rs. in crores)

Commodity	1992-93		1993-94	
Wheat	315.00	on an offtake of 7 lakh tonnes per month	441.00	on an offtake of 6.5 lakh tonnes per month
Rice	144.00	on an offtake of 8 lakh tonnes per month	316.00	on an offtake of 8 lakh tonnes per month

2.6 In the context of saving of subsidy burden as a result of rise of Central Issue Price of wheat and rice the Ministry in a note stated that the increase in CIP by Rs. 72/- per quintal for PDS w.e.f. 1.2.94 is expected to save subsidy burden of Rs. 50 crores per month (Rs. 600 crores per annum) in the food subsidy budget. In case of rice the expected burden reduction on food subsidy is to the tune of Rs. 98.24 crores per month (Rs. 1178.88 crores per annum).

Interest Charges

2.7 The Expenditure incurred on interest charges on outstanding Govt. dues in respect of FCI are as under:—

(Rs. in crores)

1991-92	1992-93	1993-94 (Estimated)	1994-95 (B.E.)
817.22	876.71	1200	2092 (Interest expected to be reduced with the increase budget provision)

2.8 The working capital of Food Corporation of India over and above the amount provided by the Government is fully financed by the Banking sector. For this purpose the Food Corporation of India has been allowed cash credit facilities by a consortium of Banks led by SBI at 15.75% rate of interest, against hypothecation of stocks and surety of Government of India. Within the cash credit limits FCI withdraws and utilises money from the Banks as per its requirement. With the increasing stock levels and higher procurement prices, overall cash credit limit has been substantially gone up. The cash credit limit allowed by the Indian Banking sector as on 31.3.93 was Rs. 6735 crores and utilisation of cash credit was Rs. 6074 crores. The bank rate of interest was 20.75% in 1991-92, 16.75% in 1992-93, 15% in 1993-94 and 15.75% in 1994-95.

2.9 Asked during evidence whether the interest rate charged is reasonable, considering low-risk involved and surety of repayment, the Secretary stated:—

“The rate of interest which is currently 15.75% appears to be too high. We are still examining it and we will take up with RBI and Finance Ministry whether the interest rate could be reviewed”.

2.10 Giving details on the reason for hike in interest charges and steps taken to economise on this account, the Ministry has stated that the Government of India has provided Rs. 1200 crores at a concessional interest of 4.6% for financing buffer stocks. Also Rs. 230 crores was provided as working capital in this regard. Value of stocks held by the Corporation, as buffer stocks (Average stocks minus four months off-take), in excess of the above amount is to be financed from the bank borrowings which automatically invite additional interest burden.

2.11 Buffer stocks of wheat projected for 1993-94 (RE) and 1994-95 (BE) is 48.16 lakh tonnes and 81.37 lakh tonnes. Increase in volume of buffer stocks of wheat is the main reason for increase in the interest cost provided.

2.12 The interest charge incurred on distribution of wheat and rice was 33% in the year 1992-93 (Rs. 321.68 crores for wheat and 395.44 for rice), 24.8% in the year 1993-94 (Rs. 215 crores for wheat and 263 crores for rice), 42% in the year 1994-95 (Rs. 535 crores for wheat & rice) of the total distribution cost. The interest liability for carrying buffer stock constituted 62.89% in the year 1993-94 (Rs. 300 crores for wheat and 419.80 crores for rice) of the total buffer carrying cost. The budget estimate in 1994-95 is 60.13% (Rs. 536 for wheat and 484.82 crores for rice).

Freight Charges

2.13 The expenditure incurred on freight charges are as under:—

1991-92	1992-93	1993-94	1994-95 (BE)
626.91	578.65	850.00	972.00 (likely to be lower due to reduced movement level)

2.14 Explaining the expenditure incurred on freight charges, the Secretary, Ministry of Food stated during evidence:—

“As far as freight is concerned, they have budgeted for Rs. 850 crores which is entirely in the hands of Ministry of Railways. They have nothing to do with that. In one year, freight has gone up by 54%.”

2.15 The freight charges constitute 26% (Rs. 259 crores for wheat and 319 crores for rice), 44% (Rs. 382 crores for wheat and 467 crores for rice), 32% (Rs. 406 crores for wheat and rice) of the total distribution cost in the year 1992-93, 1993-94 (RE) and 1994-95 (BE), respectively.

2.16 Procurement of wheat for Central Pool is carried out by FCI and State Govt./Agencies. Normally, FCI immediately takes over the wheat procured by State Governments/Agencies. However, in case of Punjab/Haryana major share of wheat is procured by the State Government/Agencies. FCI do not have its own godowns in many centres. Thus it would not be possible for FCI to immediately take over the wheat in view of the heavy volume of procurement, necessity to lift the stocks immediately from the Mandis for next day's operations, storage/movement constraints and the limited/short period of procurement operations. Stocks are therefore to be moved to State Government/Agencies godown to clear the mandis.

2.17 These State Governments/Agencies are paid procurement incidentals, which include the elements of storage and interest charges. There is a block incidentals rate covering the weighted average rate till April-June and monthly carry over charges (Stg. and interest) are payable for period beyond June.

Subsidy Arrears

2.18 The break-up of subsidy outstanding on Food Account as on 31.3.1993 is as under:—

Details	(Rs. in crores)
(i) Transit and storage shortages reimbursable by the Govt. on investigation and write off by the FCI	729.04
(ii) Normal food subsidy outstanding (other than unregularised shortages)	1683.71
TOTAL	2412.75

2.19 Subsidy is reimbursable to FCI on the following pattern:—

- (a) Provisional payment to the extent of 95% of the bills is made by the Government on a monthly basis.
- (b) Final payment for each year is made on the basis of audited accounts for the year. Final Bill is submitted alongwith the certificates from the Auditors that the principles as enunciated by the Government are correctly followed by FCI.
- (c) As regards shortages, they are reimbursed as and when amounts are investigated and written off by FCI. The claim for these shortages are also submitted alongwith due Audit Certificate.

2.20 The normal subsidy outstanding other than unregularised shortages as indicated above was Rs. 1683.71 crores. Out of this amount bills to be submitted towards 5% bills with Audit Certificate amount to Rs. 175.17 crores. An amount

of Rs. 863.56 crores has been received by FCI in the subsequent year against this outstanding, leaving a balance of Rs. 820.14 crores as on March, 1994.

2.21 Asked about the impact of non-settlement of claims on overall subsidy position, the Committee were informed that non-payment of regular bills would result in payment of interest on the over-draft availed from the banking sector to finance these outstandings. The interest incurred during 1993-94 on account of these outstandings were as under:—

<i>(Rs. in crores)</i>		
	Amount	Interest
1. Unregularised shortages	729.04	114.82
2. Payment of normal subsidy:		
(a) 5% dues	175.17	18.39
(b) other than 5% dues	1508.53	203.67

2.22 The Committee were also informed that Corporation is carrying out its foodgrains operations on the cost basis. It mainly depends on the bank finance to meet its expenditure. Thus any additional borrowings due to non recoveries of dues result in additional interest burden from the date of accrual till settlement.

2.23 When asked about the reasons and steps taken to liquidate the arrears, the Ministry in a note has stated that Budgetary constraint was in the main reason for the delayed settlement of bills of FCI. During the end of 1993-94 the position would improve, due to supplementary grant of Rs. 2700 crores towards subsidy, besides Rs. 3000 crores provided for earlier.

During evidence, the Secretary clarified:—

‘‘Regarding the overburden of about Rs. 1700 crores, the corresponding figure for 1994-95 is brought down to only Rs. 500 crores. We are on much stronger position during the year 1994-95’’.

2.24 The outstandings in respect of the year 1980-81 to 1990-91 pertains only to shortages, which are claimable from the Government only on regularisation. The Corporation has fixed targets so that the arrears in this regard is overtaken at the earliest. The shortages that have been verified and written off during the year 1992-93 was of the order of Rs. 168.06 crores. The investigation, verification and acceptance and write-off of losses is a time consuming process and as such bills could not be raised immediately on the Government for this.

2.25 The Food Corporation of India has taken following steps to expedite investigation and realisation of shortages:—

1. Suitable powers have been delegated to ground level officers so that the nominal normal shortages recorded could be regularised promptly at the district level itself after investigation.

2. Instead of shortages recorded stock-wise to be considered separately for investigation and acceptance shortages for depot per month at a depot as whole on a monthly basis has been considered.
3. Concentration has been shifted to incurrence of shortages where some irregularities noticed or vigilance angle reported.
4. Abnormal shortages have been got investigated immediately by deputing squads.
5. Target has been fixed and field officers have been told to take up this work on priority basis.

Transit & Storage Losses

2.26 The Ministry in a note stated that the Food Subsidy is one of the major expenditure of the Government. Control is made keeping certain working norms and aiming to tone up achievements of the Food Corporation of India with reference to these norms.

The Following Statement gives a Comparative analysis of Storage Charges, Transit shortages, Storage shortages and Demurrages charges and BICP norms fixed for the purpose.

Items	1989-90	1990-91	1991-92	1992-93	<i>(In Rs. Crores)</i>	
					1993-94 (RE)	1994-95 (BE)
1. Storage charges						
As per BICP norms	142.65	246.51	247.03	289.99	357.71	437.99
Actual/Estimated	255.85	281.42	309.29	408.74	344.46	401.66
Difference	113.20	34.91	62.26	118.79	(-) 13.25	(-) 36.33
2. Shortages						
(a) Transit shortages						
As per BICP norms	32.85	40.59	56.22	57.47	66.86	76.76
Actual/Estimated	57.99	104.85	143.16	142.39	132.00	165.00
Difference (X)	25.14	64.26	86.94	84.92	65.11	88.24
(b) Storage shortages						
As per BICP norms	14.96	13.25	36.23	37.36	61.37	65.28
Actual/Estimated	19.20	43.56	72.38	73.11	68.00	84.00
Difference (Y)	4.24	30.31	36.15	35.75	6.63	18.72
Total (X+Y)	29.38	94.57	123.09	120.67	71.77	106.96
3. Demurrages						
As per BICP norms	8.03	10.25	10.45	19.28	13.98	16.16
Actual/Estimated	8.26	11.11	11.75	10.02	13.00	13.00
Difference	0.23	0.86	1.29	0.74	(-) 0.98	(-) 3.16

2.27 The transit and storage shortages occur due to use of iron hooks by labour during multiple handlings, causing bleedings of bags, spillage during movement of foodgrains and also above all losses due to drriage. The demurrage/detention charges are paid on account of failure to unload the foodgrains within the stipulated time prescribed by the Railways.

2.28 Comparing the achievements with BICP norms the Secretary stated:—

“...percentage wise these shortages have come down. They are showing an improvement but it is not yet possible to achieve the BICP norms”.

2.29 When asked why it is not possible to achieve the BICP norms, the Chairman, FCI deposed:—

“BICP norms are somewhat stringent but we are now trying to identify the ways as to how we can reduce this. The *modus operandi* we have adopted in this case is to identify the States where the transit shortages are much more than under BICP norms. We have given instructions to the Depot Manager to keep a close watch on the depots”.

2.30 When asked how much more time it will take to reach near these norms, the Food Secretary stated:—

“On transit & shortage it will take more time and efforts will be made to achieve them (BICP norms)”.

2.31 In reply to a Rajya Sabha question (USQ No. 3355, 18.3.94) it was stated that in order to curtail malpractices in storage & transit, vigilance squads have been deputed to conduct surprise/regular checks. During 1992, 1265 regular checks and 823 surprise checks were conducted. In the year 1993, 1189 regular checks and 643 surprise checks were undertaken. The Ministry have also initiated 210 vigilance cases against the persons alleged to have been involved in storage and transit losses in 1992. Similarly, 163 vigilance cases were undertaken in 1993.

2.32 The following steps have been taken by FCI to reduce its operational cost thus helping to contain the food subsidy budget:—

- (i) Adopting of a systematic policy of liquidating CAP storage, issuing old stocks, disposing of C&D category of stocks and introducing stricter supervision on movement of foodgrains to control the incidence of transit and storage shortages.
- (ii) The corporation has taken steps to promptly dehire the storage capacity rendered surplus on account of lower level of stocks.
- (iii) Recruitment to entry level posts banned and the vacancies arising out of resignation, retirement etc. have not been filled up.
- (iv) Procurement and movement ratio reduced.

- (v) Efforts to maximise utilisation of storage capacity.
- (vi) Reduction of demurrage charges.

Open Sale of Wheat & Rice

2.33 There was record procurement of 12.83 M.T of wheat in 1993-94 compared to 6.38 M.T in 1992-93. The central pool carried over 3 M.T. of wheat stock in excess of minimum buffer stock requirements as on 1.10.93. At the beginning of 1994 the emerging supplies of wheat stock (4 M.T.) due to lower wheat off-take from the PDS was imposing a fiscal burden on FCI. The wheat off take 4.6 M.T. during Jan.-Oct. 1993 was 34% lower than last year. For rice, it was 7% lower. Rice procurement had reached a peak of 13.05 M.T. in 1992-93. A record rice procurement is expected during current Kharif season. This is likely to result in carry over stocks of both wheat and rice exceeding the minimum buffer stock norms.

2.34 Asked about the steps taken to reduce stock levels, so as to make storage space for ensuring rabi procurement, reduce subsidy burden and to moderate price increase, the Ministry in a note stated that the Government have decided to sell from its stocks, 30.00 lakh tonnes of wheat, during the period from October 1993 to April 1994 and 15 lakh tonnes of rice during the period from January to September, 1994, to reduce the stocks to a reasonable limit, to make available storage space for ensuring rabi procurement, to bring about a sobering effect in the market prices and reduce the subsidy. This decision has been taken with the assumption that during the ensuing rabi marketing season 1994-95 (April-March), the wheat procurement would be near about the same level as was achieved last year. By March, 1994, it is expected that the entire quantity of 30 lakh tonnes of wheat would be sold. The subsidy by sale of wheat has been reduced so far by over Rs. 155 crores.

2.35 When asked during evidence what has been the impact of open sale policy, the Secretary stated:—

“Open sale policy of FCI has successfully countered the inflationary pressure from the open market and by large, open market price of wheat all over the country has been kept stable....due to market intervention by the FCI, 27 lakh tonnes of wheat (have been) sold in the open market. We expect to reach the target of three million tonnes by this month (April) itself”.

He added:—

“The question of keeping the open sale of wheat even during procurement season beyond April is under consideration of the Ministry”.

2.36 The following are the Month end wholesale prices of wheat at selected centres:—

<i>(Rs. Per Qtl.)</i>			
Months	Delhi	Bombay	Madras
October, 93	400	500	630
November, 93	400	530	672
December, 93	405	540	652
January, 94	400	530	692
February, 94	430	500	662
March, 94	420	600	641

2.37 In a reply to a Lok Sabha question (USQ No. 1595 answered 4 March, 1994) it has been stated that FCI is not likely to earn any profit through sale of wheat in the open market as the sale price of wheat in open market is lower than the economic cost of grain to the Food Corporation of India.

2.38 Asked about the loss incurred due to sale in open market, the Secretary stated during evidence:—

“The economic cost works out at Rs. 559 per-quintal and sale in the open on an average, comes to be around Rs. 400 per quintal. So the loss will be Rs. 160 per quintal. We have, so far sold 27 lakh metric tonne”.

2.39 On a pointed query why sales were not effected above economic price, the Secretary stated:—

“As per as decision of sale of wheat is concerned it was found that if you sell at the economic price, it had been varying at about Rs. 5.59 or more. The prevailing market price being much lower than the economic price, the Government knew that if at the economic price sale was attempted to be made by trying to sell at a price higher than the economic price, there in the market, there would be no sales”.

2.40 Since open sale policy has resulted in loss to FCI, in absolute terms, when asked whether Govt. plan to export rice and wheat, the Secretary informed that “the matter is under active consideration of the Ministry of Food...we are examining whether FCI would be in a position to sell some rice and if possible, some wheat in international price and sale price of FCI would be a determining factor. The Export of rice is taking place and FCI would have to conform to the demands of international trade in regard to quality, specification regarding grading in respect of Basmati and Non-Basmati rice”.

He added:—

“But for wheat, since the FCI has to compete with high subsidy element, the international wheat price is a major factor. Even so this is an area which is under active consideration between the Ministry and the FCI”.

2.41 The Public Distribution system is an important elements of provision of food security to the poor and vulnerable sections of the society. The Govt. review the procurement, off-take/stock levels regularly and take immediate action to rectify the situation. When asked during evidence whether the Ministry propose to pre-plan the whole affairs taking into consideration the requirement of buffer stock, PDS and open sale option, in view of the fact that the open sale of wheat has resulted losses to FCI in absolute terms, the Secretary stated:—

“While planning for food security for the country, we have to be slightly cautious...probably now we are entering into a new phase and that is how we have started planning. Initially our idea was that calculating all the buffer stocks we had planned for 3 million sales by April. Now, we feel that by March end we will be almost reaching the target...but we also like to look at the Monsoon and the kind of crop prospects”

2.42 The Committee note that food subsidy is on the rise. In the year 1991-92, the food subsidy was Rs. 2450 crores which increased to Rs. 2850 crores in the year 1991-92. In 1993-94 as against a provision of Rs. 3000 crores in original budget estimate, it rose to Rs. 5700 crores as per the revised estimates. They also note that issue prices were not raised simultaneously with the announcement of Minimum Support Price. The delay in raising the issue price simultaneously has caused the exchequer a loss to the tune of Rs. 757 crores (Rs. 441 crores for wheat & 316 crores for rice) in the year 1993-94. Similarly during the year 1992-93 the Government had suffered a loss of Rs. 459 crores on this account. The Committee were informed that there was a time lag of 9-10 months in the case of wheat and 3-4 months in case of rice in the year 1992-93, between announcement of MSP & CIP. Again the MSP for Rabi 1994-95 has already been announced for wheat. But the CIP has not yet been decided. According to Ministry although the need for announcing the revision of the MSP and CIP simultaneously as far as possible or MSP at the time of sowing and CIP at the commencement of marketing year is recognised by the Government, this is not always possible on account of preoccupation of the CCEA. The Committee view this with concern and recommend that there should be close coordination between the Ministry of Food and Ministry of Agriculture in this regard to ensure that there is no avoidable increase in subsidy on this account.

2.43 The Committee note that large portion of food subsidy goes towards meeting interest liability. The interest charges which were Rs. 817.22 crores in 1991-92 rose to Rs. 1200 crores in 1993-94 and are expected to be 2092 crores in 1994-95. They have observed that interest charges incurred on distribution of wheat and rice was 33% in 1992-93, 24.8% in 1993-94 and 42% in 1994-95 of the total distribution cost. The interest liability for carrying buffer stock was 62.89% in 1993-94 and budget estimate for 1994-95 is 60.13% of the total buffer carrying cost.

2.44 The Committee were informed during evidence that current rate of interest charged by consortium of bank led by SBI is 15.75% which appears to be too high, and the Ministry propose to take up the matter with RBI and Ministry of Finance. The Committee would like to be informed of the outcome.

2.45 The Committee note that subsidy claims to the tune of Rs.729.04 crores on account of unregularised transit and storage shortages were pending, involving additional burden of interest charges alone to the extent of Rs. 114 crores to FCI. They are distressed to find that the subsidy claims on this account are pending since 1980-81. The Committee view with concern the heavy outstandings and the interest charges thereon. The Committee urge that the investigation and write-off of losses in regard to transit and storage shortages, re-imbursable by Government should be expedited to liquidate the arrears to reduce the avoidable expenditure by FCI on subsidy.

2.46 The Committee note that there is hike in freight charges to the tune of 31% in the year 1993-94 as compared to 1992-93, and constitute 32% of the total distribution cost. There is thus a need for effecting utmost economy in regard to freight charges.

2.47 The Committee have observed that Food Corporation of India coordinate with Ministry of Railways and chalks out monthly/annual movement programme for moving procured stocks from procurement areas to consuming regions. But due to non-availability of railway wagons, the work of clearance of procured stocks has been effected to a large extent. The Committee are of the view that procured foodgrains should be moved directly from the places of procurement to rail heads as far as possible as it will avoid additional transportation/handling charges. The Committee therefore, recommend that Ministry of Food should pursue the matter with Ministry of Railways for providing special trains during the procurement season for moving the procured stock expeditiously.

2.48 The Committee find that the transit and storage shortages loss incurred by FCI was much higher than the norms fixed by BICP. As per actuals for 1992-93 the transit losses were Rs. 142 crores as against Rs. 57.47 crores as per BICP norms. Similarly the storage shortages were Rs. 37.36 crores as against Rs. 73.11 crores as per BICP norms. During evidence the Committee were informed that BICP norms are somewhat stringent and will take more time to achieve. The Committee are not convinced with this argument. They recommend that result oriented efforts should be made to strictly adhere to norms and the Committee informed of the outcome.

2.49 210 vigilance cases against persons involved in storage and transit losses in 1992 and 168 vigilance cases in 1993 have been initiated. This shows the extent of malpractice prevalent in FCI and the fact that surprise and regular checks conducted to curtail such malpractices are of no avail. The Committee recommend that cases under vigilance should be thoroughly investigated and the persons found guilty should be awarded exemplary punishment.

2.50 The Committee note that open sale of wheat was undertaken to reduce mounting stock levels, release of space for the storage of foodgrains and to moderate price rise on account of wheat. The whole operation has caused loss to FCI to the tune of Rs. 32 lakhs due to high economic cost of wheat procured by FCI. FCI has sold 20 lakh tonnes of wheat and the loss per quintal is Rs. 160. The Committee find that in January, 1994 against a minimum norms of 7.7 million tonnes the actual stocks of wheat was 11.1 million tonnes. Similarly in case of rice against a minimum norms of 7.7 million tonnes, the actual stock was 12 million tonnes. A record rice procurement is expected during current kharif season. There is every likelihood of carry-over of stocks both wheat and rice exceeding the minimum buffer stock norms. In view of this development, the Committee desire that Government should plan well in time the sale of foodgrains in the open market taking into considerations the P.D.S. requirement to keep to the minimum the subsidy on account of carrying heavy buffer stocks. The possibility of export should also be explored.

CHAPTER III

Capital Section

AA-Capital Outlay on Food, Storage & Warehousing

AA2-Storage & Warehousing

3.1 A provision of Rs.21 crores has been provided in the Demands for Grants for completion of storage capacity by Food Corporation of India which is in progress. The cost of construction of godowns in FCI is fully met by Government of India through budgetary resources. No central budget provision has been made for Central Warehousing Corporation and the expenditure for the purpose is met from internal and extra budgetary resources. Rs.15.40 crores have been earmarked for Central Warehousing Corporation. The money is to be utilised for construction and acquisition of godowns and warehouses for the storage of agriculture produce and implements. It is also for subscription to the share of State Warehousing Corporation for these objectives.

3.2 The working group on storage and warehousing for the 8th Plan period appointed by the Planning Commission has stated that the foodgrains capacity available in the country was adequate on macro level basis but had strongly recommended the creation of additional capacity to remove regional imbalances and to cater to the needs of hilly and inaccessible areas. Accordingly, the FCI proposes to construct 10 lakh tonnes capacity in these areas during 8th Plan and this has the approval of the Planning Commission. The Central Warehousing Corporation and State Warehousing Corporation are also to construct 2 lakh tonnes of capacity each during this plan period.

3.3. The achievements of Food Corporation of India and Central Warehousing Corporation is as under:

	FCI		CWC	
	Physical (in lakh tonnes)	Financial (in crores of Rs.)	Physical (in lakh tonnes)	Financial (in crores of Rs.)
	1	2	3	4
1. 1992-93				
(a) Target	2.32	27.49	2.05	27.00
(b) Achievement (Actuals)	1.92	30.99	0.81	21.76
2. 1993-94				
(a) Target	0.86	19.00	1.40	23.00
(b) Achievement (likely)	0.76	19.00	1.04	21.14
3. 1994-95				
(a) Target	1.04	21.00	0.70	14.00

3.4 The details of targets for capacity realisation and achievements during 1992-93 in remote and hilly areas and NEF regions is as under:-

(Capacity in thousand tonnes)

Hill & Remote area work	Target	Capacity realised
(a) 1. Kargil/2.5/PWD	2.50	-
2. Poonch/2.5/FCI	2.50	-
3. Hamirpur/1.67/FCI	1.67	-
(b) NEF Region Works		
1. Passighat/2.5/FCI	2.50	-
2. Kumarghat/2.92/NBCC	2.92	-
3. Lawngtalei/3.34/NBCC	3.34	-

3.5 When asked why no capacity was realised in the aforementioned centres, the Ministry in a note furnished to the Committee stated that the work at J & K and NEF areas could not be completed due to difficult working conditions in these areas. The work in these areas has been entrusted to the J & K, PWD and M/s. NBCC respectively.

3.6 The Ministry in a subsequent note informed the Committee that a capacity of 9170 MT scheduled for 1992-93 has since been completed in 1993-94. The present status of completion of godowns in various places is as under:

Hill & Remote area works	Target for realisation during 92-93	Present status
1. Kargil	2,500 MT	Since completed during 1993-94.
2. Poonch	2,500 MT	- do -
3. Hamirpur	1,670 MT	- do -
4. Passighat	2,500 MT	- do -
5. Lawangtalei	3,340 MT	Under construction and likely to be completed by March, 94
6. Kumarghat	2,920 MT	Under construction

3.7 In the year 1993-94 FCI was again unable to create the targeted capacity creation due to unprecedented heavy rains resulting in road breaches, land slides etc. in Mizoram and non-vacation of stay brought in by the defaulting contractors in West Bengal.

3.8 When asked why the financial achievements were more than the targets set forth for the construction programme during 1992-93 and 1993-94 the Ministry in a note stated as under:

“The difficulties of terrain in the North Eastern Region as well as other hilly and inaccessible areas do contribute to the delay in the completion of the projects. Further, the long duration of the rainy season in these areas also reduces the time available for construction activity. The problems

referred to above get compounded wherever the contractor fails to abide by the terms and conditions of the contract. As a result of these factors and other difficulties such as those relating to land acquisition, there are time and cost over-runs. Consequently, it is difficult to stick to the financial as well as physical time frame.''

3.9 The Central Warehousing Corporation also could not achieved the required targets for the construction of godowns in the year 1992-93 and 1993-94 as is evident from the figures given in para above (3.3).

3.10 The Committee note that Planning Commission had strongly recommended creation of additional storage capacity to remove regional imbalances and to cater the needs of hilly and inaccessible areas. The Committee find that targets fixed for 1992-93 and 1993-94 have not been achieved by Food Corporation of India. The Committee fail to understand how in these circumstances FCI will be able to achieve the capacity recommended by Planning commission. The Committee are also concern to note that no capacity has been realised in hilly and remote areas and NEF regions due to certain reasons. The Committee recommend that FCI should gear up their machinery to ensure that the target set are achieved without fail.

CHAPTER IV

Major Head '4408'

AA. - Capital outlay on Food, Storage and Warehousing

AA.(1) (1) - National Sugar Institute, Kanpur

4.1 For the year 1992-93 the budget estimate was Rs. 111.75 lakhs which included Rs. 91.75 lakhs for major works and Rs. 20 lakhs for laboratory equipments. The actual expenditure during the year was Rs.39.64 lakhs. In 1993-94 the budget estimate and revised estimate for major work was Rs. 63 lakhs.

4.2 The targets and achievements for the year 1992-93 and 1993-94 are as under :

1992-93

(Rs. in Lakhs)

Name of project	total cost of project	Amount Sanctioned	Target	Achievement
Continuing Schemes				
Construction of additional wing (started from 1989-90)	92.52	48.26	Work to be completed by the end of 1992-93.	Work partially completed. Actual Expenditure incurred Rs. 12.00 lakhs.
Deep tubewell (started from 1991-92)	12.92	7.92	Work to be completed in 1992-93.	Work has been completed in January 1993. Actual Expenditure incurred Rs. 3.43 lakhs.
Additional toilet blocks(started from 1991-92)	13.88	5.59	work to be completed during 1992-93	Work completed in Feb. 1993. Actual expenditure incurred Rs.5.59 lakhs.
Overhead water storage tank (started from 1991-92)	19.70	18.48	Construction to continue.	Part of the work completed. Actual expenditure incurred Rs. 1.20 lakhs.
New Schemes				
Improvement in facilities at the farm	55.80	11.50	work to be started.	Work could not be started as the scheme was not approved by Planning Commission.

Spill over Expenditure	-	-	-	Actual expenditure Rs. 2.10 lakhs for construction of staff quarters, installation of D.G. set, etc.
Lab equipment	20.00	20.00	To be purchased during the financial year.	Purchase completed. Actual expenditure Rs. 15.32 lakhs.
	TOTAL	111.75		Rs. 39.64 lakhs actual expenditure

1993-94

Name of project	Total cost of project	Amount Sanctioned	Target	Achievement
Continuing Schemes				
Construction of additional wing (started from 1989-90)	92.52	5.00	Work was to be completed by end of 1992-93	Partial work completed.
Overhead water storage tank (started from 1992-93)	29.70	5.00	Work to be completed by end of 1993-94	Partial work undertaken.
Improvement in facilities at farm (stated from 1992-93)	33.00	15.00	Work to commence in 1993-94	Work started.
New Schemes				
Student amenities (Sports Complex)	25.84	17.65	Scheme to commence in 1993-94	Estimate not received from CPWD. Therefore, no progress.
Construction of staff quarters.	67.00	10.00	To commence in 1993-94	Estimates not received from CPWD therefore, no progress.
Lab equipment	10.00	10.00	To be purchased by end of financial year	Purchase in progress.
	TOTAL	62.65		

4.3 Explaining the monitoring mechanism available with the Ministry to watch the physical and financial targets, the Ministry in a note stated as under:—

“Ministry has prescribed monthly and quarterly progress reports of the major works for the National Sugar Institute, Kanpur. Besides, whenever any lapse in the target is reported to the Ministry, direct communications are also sent to the Chief Engineer, CPWD in-charge of the works relating to the Ministry of Food. However, the progress is being monitored regularly by the National Sugar Institute, Kanpur.

4.4 The Committee note with concern that National Sugar Institute, Kanpur could utilise less than 40% of the amount sanctioned for the scheme undertaken in the year 1992-93. Out of an amount sanctioned to the tune of Rs. 111.75 lakhs the actual expenditure was only Rs. 39 lakhs. In the year 1993-94 two schemes could not commence due to non-receipt of estimates from CPWD. The Committee regret to note the delay in completion of the projects. This inter-alia shows that the monitoring mechanism to over-see the projects undertaken by the Ministry is not effective. The Committee recommend that monitoring mechanism should be strengthened and progress of work undertaken should be monitored regularly.

NEW DELHI;
19 April, 1994
29 Chaitra, 1916 (Saka)

SHYAM BIHARI MISRA,
Member,
Standing Committee on
Food, Civil Supplies & Public Distribution.

PART - II
**STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES
AND PUBLIC DISTRIBUTION**

Minutes of sitting of the Committee held on 18 March, 1994.

The Committee sat from 15.30 hrs. to 17.15 hrs. on 18 March, 1994.

PRESENT

Prof. Ram Kapse — *Chairman*

MEMBERS

Lok Sabha

2. Shri N.J. Rathava
3. Dr. (Smt.) Padma
4. Shri V. Krishna Rao
5. Shri Shyam Bihari Misra
6. Shri Kabindra Purkayastha
7. Shri Syed Masudal Hossain
8. Shri Ramchandra Marotaro Ghangare
9. Shri Manoranjan Sur
10. Dr. (Smt.) K.S. Soundaram
11. Shri Birsingh Mahato

Rajya Sabha

12. Shri Sunder Singh Bhandari
13. Shrimati Mira Das
14. Shri Sudhir Ranjan Majumdar

SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri K.L. Anand — *Under Secretary*

The Committee considered and approved List of Points on Demands for Grants (1994-95), relating to Ministry of Food.

The Committee also decided to call the representatives of Ministry of Food for oral evidence on 4th April, 1994.

The Committee then adjourned.

STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION

Minutes of the sitting of the Committee held on 4th April, 1994.

The Committee sat from 10.30 hrs. to 13.15 hrs. and 14.45 hrs. to 16.00 hrs. on 4th April, 1994.

PRESENT

Prof. Ram Kapse — *Chairman*

MEMBERS

Lok Sabha

2. Shri N.J. Rathava
3. Dr. (Smt.) Padma
4. Shri V. Krishna Rao
5. Shri Gopi Nath Gajapathi
6. Shri Naresh Kumar Baliyan
7. Shri Shyam Bihari Misra
8. Shri Kabindra Purkayastha
9. Shri Lal Babu Rai
10. Shri Shashi Prakash
11. Shri Ram Awadh
12. Shri Syed Masudal Hossain
13. Shri Ramchandra Marotaro Ghangare
14. Shri Manoranjan Sur
15. Shri Chhote Singh Yadav
16. Dr. (Smt.) K.S. Soundaram

Rajya Sabha

17. Shri Sunder Singh Bhandari
18. Shri Tara Charan Majumdar
19. Shri Jagannath Singh

SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri K.L. Anand — *Under Secretary*

WITNESSES

1. Shri A.C. Sen — *Secretary*
2. Shri Tirlochan Singh — *Additional Secretary*
3. Shri M. Seetharam — *AS & FA*
4. Shri R.N. Tiwari — *Joint Secretary*
5. Shri Surendra Kumar — *Joint Secretary*
6. Shri S.K. Tripathi — *Joint Secretary*
7. Shri A.B. Nagrare — *C.D. (Sugar)*
8. Smt. Loveleen Kakkar — *Dir. (Sugar)*
9. Shri R. Narayanan — *Chairman, FCI*
10. Shri A.V. Gokak — *Managing Director, FCI*
11. Shri R.N. Das — *Managing Director, CWC*
12. Shri M. Das Gupta — *Secretary, CWC*

The Committee discussed with the representatives of Ministry of Food, Food Corporation of India and Central Warehousing Corporation, the various points arising out of List of Points which were replied to by the witnesses. A verbatim record of the discussion was kept.

The Committee then adjourned.

STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION

Minutes of the sitting of the Committee held on 19th April, 1994.

The Committee sat from 1500 hrs. to 1530 hrs. on 19th April, 1994.

PRESENT

Shri Shyam Bihari Misra — *In Chair*

MEMBERS

Lok Sabha

2. Shri Bijoy Krishna Handique
3. Shri Naresh Kumar Baliyan
4. Shri Kabindra Purkayastha
5. Shri Lal Babu Rai
6. Shri Shashi Prakash
7. Shri Ramchandra Marotaro Ghangare
8. Shri Manoranjan Sur
9. Dr. (Smt.) K.S. Soundaram

Rajya Sabha

10. Shri Sunder Singh Bhandari
11. Shri Sudhir Ranjan Majumdar
12. Shri Tara Charan Majumdar
13. Shri Jagannath Singh
14. Shri Tindivanam G. Venkatraman

SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri K.L. Anand — *Under Secretary*

The Committee chose Shri Shyam Bihari Misra, M.P. to act as Chairman in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

The Committee considered and adopted the draft reports on Demands for Grants (1994-95) relating to Ministry of Food subject to certain changes arising out of factual verification of the Reports by the Ministry concerned.

The Committee authorised Shri Shyam Bihari Misra/Shri Sunder Singh Bhandari to present/lay the reports in Lok Sabha and Rajya Sabha, respectively.

The Committee then adjourned.

**COMPOSITION OF THE COMMITTEE ON FOOD, CIVIL SUPPLIES
& PUBLIC DISTRIBUTION
(1993-94)**

CHAIRMAN

Prof. Ram Kapse

MEMBERS

Lok Sabha

2. Shri B.M. Mujahid
3. Shri G. Devaraya Naik
4. Shri N.J. Rathava
5. Shri Ram Prakash Chaudhary
6. Shri Avtar Singh Bhadana
7. Dr. (Smt.) Padma
8. Shri A. Jayamohan
9. Shri Anandagajapati Raju Poosapati
10. Shri Pawan Diwan
11. Shri Sunil Dutt
12. Shri V. Krishna Rao
13. Shri Bijoy Krishna Handique
14. Shri Gopi Nath Gajapathi
15. Shri Naresh Kumar Baliyan
16. Shri Shyam Bihari Misra
17. Shri D.J. Tandel
18. Dr. Ramkrishna Kusmaria
19. Shri Chhotey Lal
20. Shri Pankaj Chaudhari
21. Shri Kabindra Purkayastha
22. Shri Lal Babu Rai
23. Shri Shashi Prakash
24. Shri Ram Awadh
25. Shri Syed Masudal Hossain
26. Shri Ramchandra Marotrao Ghangare
27. Shri Manoranjan Sur
28. Dr. (Smt.) K.S. Soundaram
29. Shri Chhote Singh Yadav
30. Shri Birsingh Mahato

Rajya Sabha

31. Shri Sunder Singh Bhandari
32. Shrimati Mira Das
33. Shri B.V. Abdulla Koya
34. Shri Maulana Asad Madni
35. Shri Sudhir Ranjan Majumdar
36. Shri Tara Charan Majumdar
37. Shri Moolchand Meena
38. Shri Venod Sharma
39. Shri Jagannath Singh
40. Shri Tindivanam G. Venkataraman
41. Shri Ramendra Kumar Yadav Ravi