

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

UNSTARRED QUESTION NO:3176  
ANSWERED ON:16.03.2010  
HIRING OF GODOWNS  
Mani Shri Jose K.

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

- (a) whether the Food Corporation of India (FCI) has hired godowns from the Kerala State Warehousing Corporation (KSWHC) under an agreement wherein KSWHC constructed the godowns and transferred them to FCI on rental;
- (b) if so, the details thereof;
- (c) whether FCI has failed to pay the rentals;
- (d) if so, the details thereof and the reasons therefor indicating the amount pending against FCI; and
- (e) the steps taken to liquidate the said dues to KSWHC?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): Yes, Madam. Under an agreement entered between FCI and Govt. of Kerala in 1969 the retail distribution to the Authorized Retail Dealers at Hqrs. Taluks of then existing Revenue Districts of Kerala State was entrusted to FCI. For the said purpose FCI had hired 7940 sq.ft. godown space at SWC, Chalaitrivandrum on a consolidated monthly rent of Rs.2500/-.

The monthly rent paid was revised periodically since 1969 as indicated below and the same has been paid up to Dec, 1996.

Period      Rent paid per month

Upto March, 1976      Rs. 2,500/- consolidated

01.04.1976 to 31.12.1979      Rs. 3,300/-

01.01.1980 to 31.3.1984      Rs. 3,845/- @ Rs. 0.50 per sq. ft.

From 01.04.1984 to 31.12.1996      Rs. 4,614/- @ Rs. 0.60 per sq. ft.

The Kerala State Warehousing Corporation (KSWC) was not willing to accept the enhancement as above and demanded revision of rent under Warehousing Act as under:-

Period from      Rate per sq. ft.

1.1.1981      Rs. 1.25

1.1.1983      Rs. 1.50

1.1.1985      Rs. 2.00

1.1.1989      Rs. 2.20

1.1.1992      Rs. 2.60

1.1.1993 Rs. 3.50

1.1.1995 Rs. 5.40

(c)&(d): The demand of rent by KSWC at the above rate as applicable for space hired on commercial basis for guaranteed hiring was not accepted by FCI as the space was hired on mutual agreement. The revision was not acceptable since other services like providing of dunnage, spraying/fumigation etc. were not rendered by SWC in this godown.

(e): With a view to settle dispute between FCI and KSWC over the issue, a meeting between officers of FCI and KSWC has been held and a fresh proposal has been submitted by KSWC on 18.2.2010.