

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

UNSTARRED QUESTION NO:5162
ANSWERED ON:27.04.2010
SECURITY ON LOANS
Pandey Saroj

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

(a) whether the Government proposes to provide private security to State procurement agencies on the Reserve Bank of India loans availed by them under decentralized procurement on the lines of facility being provided to the Food Corporation of India (FCI); and

(b) if so, the details thereof?

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) and (b): No, Madam. The Government of India extends the single default guarantee to FCI for availing cash credit from consortium of banks as per the norms fixed by the RBI since it is a Central Government agency managed by the food subsidy bills of the Government. The similar guarantee is not extended to agencies of State Government/UT Administrations as their finances are controlled by their respective State Government/UT Administrations and they are responsible for their independent role in procurement of foodgrains for the Central Pool.