

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

UNSTARRED QUESTION NO:4593  
ANSWERED ON:30.08.2011  
FINANCIAL CRISIS IN FCI  
Mahto Shri Baidyanath Prasad

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

- (a) whether the payment for procurement of foodgrains was delayed and the procurement process was hampered due to cash crunch in the Food Corporation of India;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether such a situation has ever arisen during the last three years;
- (d) if so, the details and the reasons therefor;
- (e) whether the said crisis is likely to be resolved shortly; and
- (f) if so, the details thereof and the action taken thereon?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a)&(b): No, Madam. Payments to the farmers against direct procurements made by Food Corporation of India (FCI) were not delayed or deferred.

However, there was temporary cash flow problem in FCI on account of less release of advance subsidy for the quarter July-September, 2011 which was restricted to Rs. 4000 crore against approved amount of Rs.11635.84 crore on the advice of Ministry of Finance. The matter was taken up with Ministry of Finance and balance amount of Rs.7635.84 crore was released to FCI on 21.7.2011. Since then the temporary cash flow problem in FCI has been resolved.

(c)&(d): Yes, Madam. Instructions for temporarily deferring payments were issued by FCI on 4.3.2011 due to temporary paucity of funds and the same was withdrawn on 17.3.2011.

(e)&(f): The temporary cash flow problem in FCI has been resolved by releasing advance quarterly subsidy of Rs.11635.84 crore to FCI in July, 2011.