

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

UNSTARRED QUESTION NO:167
ANSWERED ON:13.03.2012
LIQUIDITY FOR CIVIL SUPPLY CORPORATIONS
Bajwa Shri Partap Singh

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

- (a) whether several State civil supply corporations have been suffering liquidity shortfalls;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to create a fund for civil supply corporations to tide over cash shortfalls; and
- (d) if so, the details thereof alongwith the manner in which the funds are proposed to be raised for the purpose?

Answer

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

(a) : No such information has been received from any of the State Civil Supplies Corporations. However, State Government/ State agencies including State Civil Supplies Corporations procure foodgrains for the Central Pool on behalf of Government of India. Funds requirement for this purpose is met by these agencies by availing Cash Credit from the State Government or banks. In respect of foodgrains delivered to Food Corporation of India (FCI), the cost is paid by the FCI. For the foodgrains procured and distributed by the State Government and their agencies themselves under Decentralized Procurement (DCP) Scheme, the difference between the economic cost of foodgrains and issue price is reimbursed to the States/ agencies as food subsidy by the Government of India directly. The agencies are reimbursed actual admissible expenditure incurred, including the interest cost on availed credit, by the Government of India.

(b) (c) & (d): Do not arise.