

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

UNSTARRED QUESTION NO:7566
ANSWERED ON:22.05.2012
IMPORT OF WHEAT
Patel Shri Bal Kumar

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

- (a) whether the Government had decided to import wheat during February, 2006 in view of the depleting stock position;
- (b) if so, the details thereof;
- (c) whether there were inefficiencies and extra expenditure especially with regard to allocation of ships to specified ports which resulted in heavy demurrage and extra road/rail transportation cost;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether the SCH&T contracts were finalised after considering the various contingencies; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) & (b): Yes, Madam. In view of deficit of wheat stock against the prescribed buffer norm/strategic reserve in Central Pool as well as high open market prices, the Government decided in February, 2006 to import 5 lakh tons of wheat. Subsequently, considering the stock position in the Central Pool, the Government took the decision on 22-4-2006 and 11-7-2006 for further import of 30 lakh tons and 20 lakh tons of wheat respectively to meet the requirement under TPDS and other welfare schemes. Against this, a quantity of 54.54 lakh tons of wheat was imported during the year 2006-07. The Government also imported 17.69 lakh tons of wheat during the year 2007-08.

The import operations were undertaken by STC Limited/MVP . Limited/PEC Limited on behalf of Food Corporation of India on High Sea Sales basis.

(c), (d), (e) & (f): The Comptroller & Auditor General of India(C&AG) in their Audit Report No.3 of 2011-12(Commercial) pertaining to Food Corporation of India have pointed out certain irregularities in import transactions of wheat during 2006 to 2008. Following are the highlights of audit findings:-

- (i) Improper planning of berthing of vessels at Indian ports.
- (ii) Loss on demurrage due to delay in berthing of vessels.
- (iii) Poor planning in allocation of ships.
- (iv) Avoidable expenditure due to transportation to southern States.
- (v) Avoidable transportation by Rail,
- (vi) Extra expenditure due to transportation by road,
- (vii) Excess payment to contractors,
- (viii) Non recovery of dues from importers/contractors,
- (ix) Failure to recover `Rail Transit Losses` from the contractors,
- (x) Non-recovery of short landed quantity,
- (xi) Non-recovery of gunny shortages,

(xii) Non-recovery of godown rent and handling charges.

The above report has been laid in the Parliament by the C&AG on 25.08-2011. A copy of the Audit Report has also been sent to this Department. Comments from Food Corporation of India (FCI), State Trading Corporation(STC), Minerals and Metal Trading Corporation(MMTC) and PEC Ltd. have been sought on the audit observations. Based on comments/views of the above organizations and information available in the Department, an Action Taken Note (ATN) on the audit findings would be finalized and sent to C&AG.