

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

UNSTARRED QUESTION NO:2323

ANSWERED ON:12.03.2013

CASH FLOW FOR FCI

Bajwa Shri Partap Singh;Joshi Shri Pralhad Venkatesh

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

- (a) whether there was any delay in payment of Minimum Support Price to farmers during the year 2012-13;
- (b) if so, the reasons therefor;
- (c) whether the cash credit facilities available to the Food Corporation of India (FCI) have been inadequate to meet the purchasing demands for the last three years;
- (d) if so, whether there is any proposal to reduce the financial stress on the Food Corporation of India; and
- (e) if so, the details thereof and the corrective steps taken to ease the credit flow situation for FCI?

Answer

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

(a) & (b): No, Madam.

(c): Yes, Madam. Cash credit facility available to Food Corporation of India (FCI) was inadequate to meet the Working Capital requirement during the last three years. Due to inadequate Cash Credit Limit, FCI had to borrow funds from the banking sector by availing Short Term Loans from time to time.

(d) & (e): To reduce the financial stress on FCI, the Government agreed to enhance the Government Guarantee which enabled FCI to avail higher cash credit limit from the SBI. In addition to enhancement in the Government Guarantee, the FCI has been given approval for issue of Bonds of Rs. 5000 crore during the financial year 2012-13 to meet long term funds requirement. A provision of Rs. 10000 crore is also made in the Union Budget for granting Ways and Means Advance to FCI during the financial year 2013-14.