

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

UNSTARRED QUESTION NO:1840
ANSWERED ON:01.12.2009
CONSTRUCTION OF GODOWNS
Lagadapati Shri Rajagopal;Ponnam Shri Prabhakar

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

- (a) whether Food Corporation of India (FCI) hired godowns from Andhra Pradesh State Warehousing Corporation (APSWHC) under an agreement wherein APSWHC constructed godowns and transferred them to FCI on rental as applicable and whenever revised;
- (b) if so, the details thereof;
- (c) whether FCI has failed to pay the rentals since 2002;
- (d) if so, the details thereof and reasons therefor indicating the amount pending against FCI; and
- (e) the steps taken to liquidate the said dues to APSWHC?

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)&(b): Yes, Madam. FCI had hired godowns on rental from Andhra Pradesh State Warehousing Corporation (APSWC) under an agreement wherein FCI agreed to give Seven Year Guarantee for using godowns to be constructed or to be got constructed by APSWC. FCI had agreed to make payment of storage charges to APSWC at par with Central Warehousing Corporation (CWC) subject to the specification of godowns and services of storage being equal as per instructions, from time to time issued by FCI.

(c),(d)&(e): No, Madam rentals are being paid to APSWC. However the revised rentals, at par with CWC rates are not being paid by FCI to APSWC since 2002 as APSWC was making much less payment to private investors from whom it had hired godowns. The FCI has restricted payment of rentals to the hire charges paid by APSWC to the private investors as per agreement entered into by APSWC with private investors/ owners. An additional 15% administrative charges, over and above these hire charges, are also being paid by FCI, to APSWC.