

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

UNSTARRED QUESTION NO:4762
ANSWERED ON:23.04.2013
FOOD SUBSIDY BILLS
Shankar Alias Kushal Tiwari Shri Bhisma

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

- (a) the details of the direct food subsidy bills and other bills for which reimbursement was made to the States under decentralised procurement by the Food Corporation of India during the last one year and the current year, State-wise;
- (b) whether it has also been noticed that the Food Corporation of India is facing serious financial crisis at present; and
- (c) if so, the details thereof and the reasons therefor along with the remedial steps taken in this regard?

Answer

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

(a) Food Subsidy is reimbursed to States under decentralised procurement (DCP) by the Government of India. The details of food subsidy released to DCP States during last one year and current year is at annexure.

(b) and (c) No, Madam. Food Corporation of India (FCI) is not facing any serious financial crisis at present. However, FCI faced some financial stress due to gap between its projected requirement and funds actually allocated in the financial year 2012-13. Against a demand of Rs. 101887.00 crore for FCI for 2012-13, an amount of Rs. 61977.99 crore was allocated at BE stage which was raised by Rs.10002.00 at RE stage. For the year 2013-14 against a projected demand of Rs.90000.00 crore, an amount of Rs.73500.00 crore has been allocated for FCI at BE stage, which includes Rs. 8500.00 crore for NFSA.

Following steps have been taken by the Government to enable FCI to meet its financial commitments and run its operation smoothly:-

- (i) Government guarantee for FCI was enhanced by Rs.10,000 crore for the period December, 2012 to February, 2013 which enabled FCI to avail higher Cash Credit Limit from the Banks.
- (ii) FCI has been permitted to issue Bonds of Rs.5,000 crore which enabled FCI to borrow Rs. 5,000 crore through issue of Government Guaranteed Bonds during March, 2013 having tenure of 10- 15 years.
- (iii) FCI was also sanctioned Ways and Means Advance (WMA) of Rs.10,000 crore in April, 2012 which was recovered in the month of March, 2013 from the Food Subsidy payable to FCI. A provision for Ways and Means Advance of Rs.10,000 crore has been made for FCI in the Budget of 2013-14 also.
- (iv) FCI has also got approval from its Board of Directors and the Consortium of Banks to raise unsecured Short Term Loan upto Rs.20,000 crore as and when there is mismatch in cash flow of the Corporation.